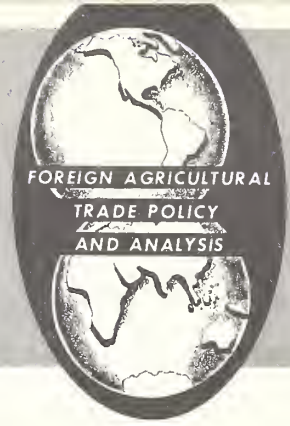


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FATP 17-57
July 15, 1957

FOREIGN COUNTRIES ALSO SHARING IN AGRICULTURAL EXPORT PEAK

It is well known that U. S. exports of agricultural commodities are now at an all-time high. Of equal significance is the fact that agricultural exports of other producing countries also are at a new peak. The world as a whole is trading more agricultural products than ever before.

This preliminary report is based on the latest information available. It covers cotton, wheat, corn, barley, oats, rye, and grain sorghums by their respective marketing-years and 45 other commodities by calendar years.

These 52 commodities are all the major ones that the United States exports. Minor commodities for which comparable world export data are not available have been omitted. Also omitted are the agricultural commodities that the United States does not export, like coffee, tea, and rubber. To assure that the study measures real volume increases, the same set of prices have been used to value each year's export quantities^{1/}.

Table 1 summarizes the findings. U. S. exports of these 52 commodities are valued at \$4.7 billion (on the constant-price index base) for 1956, an increase of \$1.6 billion over 1955. Foreign exports are estimated at \$16.6 billion, a \$1/2 billion increase. This puts 1956 well above previous recent periods, both for U. S. and foreign exports.

^{1/} By using constant prices, value changes due only to fluctuating prices are avoided. The set of constant prices used for this study are those used for the quantity index of U. S. agricultural exports: Unit export values, commodity by commodity, averaged for the calendar years 1952-54.

U. S. Programs Not Disruptive

The continued increase in foreign exports is particularly significant in view of U. S. efforts to increase its own exports. Two years ago when the United States expanded its "competitive pricing" program and launched its foreign marketing program under P.L. 480, many foreign countries were openly apprehensive. They feared a cut-throat race for markets.

Secretary of Agriculture Ezra Taft Benson, however, gave assurance that: "We will not engage in any cut-throat race for markets. We will not break or unduly disrupt world markets. We are interested in fair play. We want to do our utmost to further the spirit of cooperation among all countries and to achieve an increase in consumption of surplus products."

Under its programs, the U. S. Department of Agriculture has increased Commodity Credit Corporation disposals from \$520 million in fiscal year 1953 to \$2,723 million in fiscal 1956. Four-fifths of the latter amount has been through exports. It has sold out its stocks of cottonseed oil, cottonseed meal, hay and pasture seeds, linseed oil and tung oil. It has reduced stocks of grain sorghums, rice, barley, butter, dried milk, and wool to relatively low levels, and made inroads into cotton and wheat inventories.

Table 1 indicates that the large growth in U. S. agricultural exports has not disrupted the exports of foreign countries. The rising trend of foreign exports continues at the same rate as in the last several years. The annual increase in the last 3 years has been about \$1/2 billion, in prior years \$1 billion. In only one year of the postwar period, 1951, was the rising trend of foreign exports interrupted. That was when the Korean War stimulated foreign countries to turn to the United States for more commodities, especially cotton and wheat. However, the shift was short-lived; in 1952 foreign exports increased again while U. S. exports fell.

Foreign Exports Previously Gained Most

Currently, U. S. exports are increasing more than foreign exports. However, the sharp jump this year is a readjustment of the situation of the past several years when foreign exports increased more than U. S. exports. From 1951 to 1955, foreign agricultural exports made constant gains, whereas U. S. agricultural exports lagged. It was during this period that the United States became a residual supplier to the foreign agricultural market. Revisions in U. S. export policies and programs were undertaken to restore the competitive position of U. S. farm products.

Cotton is an outstanding example. In recent years, U. S. cotton export prices were above the prices of comparable foreign growths and U. S.

cotton exports fell. But in 1956-57, with U. S. cotton being sold at competitive bid prices, exports recovered. Of the current \$1.6 billion increase in U. S. agricultural exports, two-thirds is accounted for by cotton. Part of the heavy buying by consuming countries is to rebuild stocks that fell when those countries reduced their purchases from the United States, in anticipation of this country's new pricing program. Cotton stocks in the importing countries were down to 5.3 million bales on August 1, 1956; they are expected to be up to 6.6 million bales by this August.

Table 1.--World agricultural exports^{1/}: Value at constant prices^{2/}, average 1924-28/1934-38, and annual 1948-1956

Year ^{3/}	United States exports	Foreign exports	World exports	United States share
	Million dollars			Percent
Average::				
1924-28 :	3,234	15,030	18,264	18
1929-33 :	2,598	15,311	17,910	15
1934-38 :	1,768	15,370	17,138	10
1948 :	3,134	12,085	15,219	21
1949 :	3,124	12,583	15,707	20
1950 :	2,998	13,543	16,541	18
1951 :	3,435	13,079	16,514	21
1952 :	2,491	14,007	16,498	15
1953 :	2,472	15,010	17,482	14
1954 :	2,644	15,494	18,138	15
1955 :	3,100	16,126	19,226	16
1956 ^{4/} :	4,717	16,591	21,308	22

^{1/} Total of 52 commodities either produced commercially in the United States or similar in use thereto.

^{2/} U. S. export prices, 1952-54 average.

^{3/} Year beginning August 1 for cotton; July 1 for wheat, rye, oats, corn, barley, and grain sorghums; January 1 for other commodities.

^{4/} Preliminary; estimates based on available export data and other trade information.

A breakdown of overall totals shows that foreign exports are strong for most important commodities. Table 2 gives some commodity estimates for the latest available period. Foreign exports of feedgrains are generally up. Several significant developments account for the increase: recovery in the Argentine corn crop; greater corn exports from Africa, and European planting of feedgrains in the spring of 1956 following winterkilling of wheat. Foreign tobacco exports are up, reflecting increased production of cigarette-types, especially in Rhodesia, and higher prices of export tobacco in the United States.

Table 2.--Selected agricultural commodities: World exports, 1955 and estimates for 1956 ^{1/}

Commodity	Year begin- ning	Unit	United States exports		Foreign exports	
			1955	1956	1955	1956
			Million units			
Cotton, unmfstd.	Aug.	Bale ^{2/}	2.2	7.7	10.5	8.0
Wheat, incl. flour.	July	Bu.	342.9	535.0	695.6	675.0
Rye.	do	do	7.0	11.0	40.4	42.0
Corn	do	do	123.7	140.0	98.6	123.0
Oats	do	do	29.1	28.0	53.3	49.0
Barley	do	do	103.9	60.0	198.4	272.0
Grain sorghums	do	do	72.7	30.0	17.4	18.0
Rice, milled . .	Jan.	Cwt.	11.4	21.0	103.7	103.0
Tobacco, unmfstd.	do	Lb.	540.3	510.4	851.0	902.0
Soybean oil, incl. beans. . .	do	do	882.5	1,438.0	367.5	334.0

^{1/} Preliminary; estimates based on available export data and other trade information.

^{2/} 480 pounds net.

Some Foreign Supplies Down

The most significant declines in foreign exports are for cotton, wheat, and soybeans. But even these declines do not mean that U. S. expansion has been at the expense of other countries' marketings:

...Reduced foreign cotton exports are due mainly to smaller export availabilities overseas. This year, when U. S. cotton exports are increasing more than three-fold, foreign exporters are moving practically all their available cotton. They will have little left above normal carryover by the end of the marketing season. As U. S. stocks have been reduced, prices of U. S. and competitive foreign cottons have risen in the European market. The increase has been 2 cents a pound over the low point of September 1956.

...Smaller foreign exports of wheat are the result of the winter freeze in Europe and less exportable surplus in Argentina. Even so, foreign exports are high; for in the previous 2 years they had been the highest since 1928. The U. S. increase is to Europe and India. Exports to Europe are offsetting reduced supplies there. Exports to India are under P.L. 480, but even these sales are not reducing India's imports from other countries. For the July-April period, India reports that wheat imports from sources other than the United States total 27 million bushels this marketing year compared with only 6 million last year.

...The decrease in foreign soybean exports is due to smaller supplies from China, the other main exporter.

These ups-and-downs point to the fundamental role of production and supply factors in determining world exports. These factors vary from one commodity to another.

The overall picture--especially from the viewpoint of foreign versus U. S. exports--is that world agricultural exporters, foreign as well as American, are experiencing an unprecedented high level of trade. The current peak is attributable primarily to the strength of today's world economy. Prosperity and higher consumer incomes are increasing demand. Exporting countries--by their abundant production and by sales policies that stimulate movement of commodities into world markets--are making possible this greater flow of farm products from producer to consumer.

Prepared by
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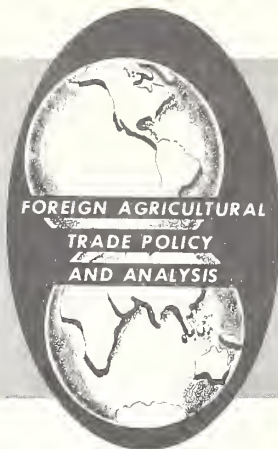
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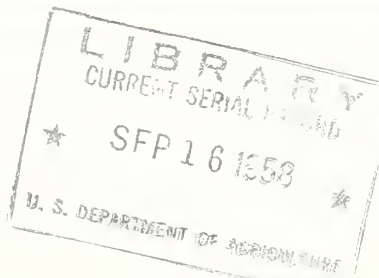
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U.S. AGRICULTURAL EXPORTS TO

WEST GERMANY IN 1956

United States exports to West Germany in 1956 increased more than 50 percent over 1955, according to United States export statistics. According to German import statistics, upon which the observations herewith published are based, the increase over 1955 was not as great. The two sets of statistics are not comparable for the following reasons:

- (1) German import statistics classify imports by "country of origin." They thus include products of United States origin imported via third countries. For instance, United States export statistics show certain quantities as exported to the Netherlands but these quantities appear in German import statistics as imported from the United States. Such transactions took place to a larger extent in 1955 than in 1956.
- (2) Minor differences may occur because of the lapse of time between exports and imports (German foreign trade statistics are based on customs clearance) and because of difference in product grouping (i.e., whether or not a commodity should be considered as "agricultural").

It will be noted that according to the German import statistics the 1956 increase over 1955 in food and agricultural imports amounts to 32 percent (cf. 51 percent according to the United States export statistics). Of all imports from the United States, 41 percent was from the food and agricultural sector in 1956. Even though the increase in imports of agricultural commodities does

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not seem quite as impressive from the German statistical side as from that of the United States, it is still shown to be of major importance. The changes from 1955 to 1956 are given in the table appended to this report.

Cotton

The reduction in the import value of cotton from 1955 to 1956 is explained not by a drop in quantities - in fact they rose 1/- but by a drop in raw cotton prices resulting from the United States' two 1956 cotton export programs. This is illustrated by comparing average prices for United States cotton imported into West Germany during the years 1955 and 1956 computed from the official German Foreign Trade Statistics for the 2 years giving quantities in metric tons and total values in Deutsche Mark (DM) at the German border. These averages represent all qualities of United States cotton combined: In 1955 DM 3.61 per kg. (or about 38.93 cents per pound) and in 1956 DM 2.94 per kg. (or about 31.71 cents per pound).

Raw cotton is the most important of 3 items lumped together under "cotton". The imports of linters and cotton waste increased by quantity from 1955 to 1956 and price reductions were more moderate than with raw cotton.

Cotton: West German imports from the United States, 1955 and 1956

	1955		1956	
	<u>Metric tons</u>	<u>Million dollars</u>	<u>Metric tons</u>	<u>Million dollars</u>
Raw cotton	57,271	49.3	61,744	43.2
Linters	35,343	4.6	45,751	5.8
Cotton waste	369	0.2	979	0.4
Total "cotton"	92,983	54.1	108,474	49.4

Total imports of raw cotton in 1957 probably will rise to about 310,000 metric tons from 292,000 metric tons in 1956. The United States' share should be about 60 percent, or 186,000 metric tons. At an average price of DM 3.00 per kilogram, this would represent a value of about 558 million DM or \$ 133 million. The value of linters (\$ 7 million) and cotton waste (\$600 thousand) imports should rise to a total of 7.6 million, giving a "cotton" total of about \$140 million.

Breadgrains

While the United States supplied 25 percent of all wheat imports in 1955, it contributed 26 percent in 1956; in other words, the United States fully participated in the overall wheat import increase. This was in spite of the

1/ The well known drop in Germany's imports of United States cotton shows up only when comparing cotton years and not calendar years.

fact that fewer aid dollars were spent for breadgrains than in 1955 (\$22.06 million dollars in 1955 compared with \$ 4.44 million in 1956). Several factors coincided to bring about this result: the failure of Sweden to deliver was partly compensated by imports of United States wheat; durum wheat was imported from the United States for the first time in several years; West Germany increased its flour exports and needed replacement wheat; some imports which the Federal Republic originally planned to make from Argentina were made from the United States because of unusual circumstances; the Federal Reserve stocks of Hard Winters were increased. Prospects for large breadgrain imports from the United States in 1957 are good. During the first quarter some 350,000 metric tons of wheat and 20,000 metric tons of rye arrived in the Federal Republic. Continuation of this large import volume through the remainder of the year naturally can not be expected. Stocks are high and Germany is expecting another record wheat crop. Nevertheless, wheat imports from the United States of approximately 800,000 metric tons are entirely possible, especially since an essential portion of dollar aid shipments are yet to arrive.

Breadgrains: West German imports from the United States, 1955 and 1956

	1955	1956
	1,000 Metric tons	1,000 Metric tons
Wheat	616.6	779.7
Rye	41.8	31.4
Total	658.4	811.1

Tobacco

Tobacco: West German leaf imports from the United States, 1955 and 1956

	1955				1956		
	Metric tons	1,000 DM	Million dollars		Metric tons	1,000 DM	Million dollars
Declared imports	26,554	165,123	39.3		27,828	165,987	39.5
Actual arrivals	26,675	165,954	39.5		31,387	184,330	43.9

Declared imports reflect usings of tobacco, as a rule in bond for about a year. Arrival statistics (Generalhandel) reflect buyings but include trans-shipment trade which cannot be eliminated. Its volume is not known. The bulk of the

larger United States leaf purchases in 1956, however, went into substantial increases in West German stocks.

A useful forecast for 1957 is almost impossible. German expectations are for a record low American crop and substantial price increases. If wet weather were to result in a thin-bodied, low-flavored crop the German industry could not use it because of German need for heavy-bodied and flavorful leaf for filter-tip cigarettes. Lower purchases at higher prices would lead to a fall-back on stocks.

Oilseeds (edible)

The United States exported 348,000 metric tons of soybeans to Germany in 1955 and 443,000 metric tons (84 percent of total West German imports) in 1956. The value of United States shipments of other oilseeds covered under this position was unimportant.

Reasons for the \$10-million 1956 increase in United States soybean imports into the Federal Republic over 1955 were:

- (1) The growing demand of the West German margarine, table oil and oilcake producing industry:
- (2) The United States is the only reliable source which can deliver sufficient quantities under favorable conditions. Due to the political situation importing from China is difficult. This caused some decrease in Chinese shipments in 1956.

Although the saturation level for fats and oils almost has been reached in the Federal Republic, population growth and small additional per-capita gains are likely to make for a continued increase in total consumption. On the other hand, additional wholesale demand for stocking, which was observed during the summer and fall of 1956 and was further enhanced by the Suez crisis, is not likely to reappear in 1957, barring another international set-back.

Coarse grains

Coarse grains: West German imports from the United States, 1955 and 1956

	1955		1956
	1,000		1,000
	Metric		Metric
	<u>tons</u>		<u>tons</u>
Barley	6.7		324.2
Oats	2.7		2.0
Corn	76.8		190.5
Millet/sorghum	215.8		126.1
Total	302.0		642.8

The extremely large increase in imports of coarse grains from the United States is in part optical since total coarse grain imports (excluding malt) were considerably increased (from 1.56 million metric tons in 1955 to 2.83 million metric tons in 1956) due to a deliberate restriction of imports in the latter part of 1955, which were shifted into 1956. Nevertheless, percentagewise, imports of coarse grains from the United States increased from 19.4 percent of the total in 1955 to 22.7 percent in 1956. The following factors contributed to the increase: The shifting of part of the milo arrivals (from the rye-milo exchange program) into 1956; the utilization of dollar aid for coarse grain imports (\$16.47 million -- in 1955 all aid dollars had been used for wheat), export supply difficulties for corn in Argentina; increased re-exports; the increase of United States corn stocks in the Federal Reserve.

The outlook for 1957 is considerably less favorable to the United States. At present coarse grain stocks are excessive and do not necessitate any imports prior to July. The situation was aggravated through an extremely mild winter, large availability of domestically produced coarse grains, damaged bread-grain for feeding, and a big potato crop. West Germany is looking forward to a very good oats and barley crop in 1957. The rye-milo exchange program will probably not be repeated.

Industrial Fats and Oils

By far the largest proportion of industrial fats and oils imported from the United States consisted of linseed oil and tallow.

The United States' share of German tallow imports increased to 80 percent of the total in 1956, when Germany increased its United States tallow imports by \$2 million. There were several reasons for this substantial increase. Demand of German industry increased because exports of semi-finished products, processed from tallow, rose markedly. The demand for fatty acids produced from tallow for domestic use was also somewhat higher. Also, the industry improved its production techniques, enabling it to more profitably process tallow instead of other expensive raw materials.

Argentina was able to deliver only a very small amount of linseed oil in 1956, principally because of a poor harvest. The United States consequently gained and increased exports to Germany by more than 50 percent in volume and almost 100 percent in value (price increases during the Suez crisis).

Since relatively high stocks of linseed oil have been carried over into 1957, total West German imports of linseed oil are not expected to increase much in spite of high demand of the chemical industry for the current year. Importers predict that shipments from Argentina will again increase substantially because of: (1) indirect export subsidies to Argentine exporters which will enable them to export at favorable prices, and (2) a good harvest in Argentina, (3) the anticipated correction of existing payment difficulties between Germany and Argentina. Imports of United States tallow are expected to continue at the 1956 level or increase moderately.

Lard and Other Edible Animal Fats

Of the edible fats and oils imported by Germany from the United States, lard and marine fats and oils each constituted about 50 percent of the total. Imports of lard oil, poultry fat and other fats and oils for food were small.

The tonnage of lard imported from the United States decreased from 28,000 metric tons in 1955 to 26,700 metric tons in 1956, while total German imports increased by 2,400 metric tons. France and the Netherlands gained, while shipments from Denmark and Sweden declined. In spite of many quality difficulties imports from France increased since prices of French lard were low because of heavy subsidization. On a value basis United States lard exports to Germany declined by about \$1 million.

The value of United States exports of marine oils to Germany, principally menhaden oil, increased by about \$2 million in 1956 over 1955. Some normal supplier countries were in short supply.

Vegetable Oils and Fats (edible)

Vegetable Oils and Fats (edible): West German imports from the United States, 1955 and 1956

	1955	1956
	1,000	1,000
	Metric	Metric
	<u>tons</u>	<u>tons</u>
Cottonseed Oil	47.0	94.5
Soybean Oil	0.8	4.2
Total	47.8	98.7

The volume of vegetable fats and oils for food, other than cottonseed oil and soybean oil, imported from the United States was almost negligible. A small proportion of the soybean oil imported was used for industrial purposes.

The United States in 1956 doubled its exports of cottonseed oil to the Federal Republic -- increasing them by more than \$15 million -- for 2 reasons:

- (1) West German consumption of top quality margarine, for which a comparatively large proportion of cottonseed oil is processed, continued to increase.
- (2) Belgium shipped 26,000 metric tons of cottonseed oil in 1955. Almost this entire volume originated in the United States. These transit imports were not possible in 1956, and the United States supplied directly 98 percent of the volume of total West German imports.

Favorable prices, increasing demand of the industry, plus the Suez crisis caused an increase in soybean oil imports from the United States by more than \$1 million.

According to the industry, United States exports of cottonseed oil to West Germany will continue to rise in 1957, but the increase will be moderate. The United States' share in soybean oil imports will depend on the price situation.

Meat and Meat Products

Meat and Meat Products: West German imports from the United States, 1955 and 1956

	1955	1956
	1,000	1,000
	Metric	Metric
	<u>tons</u>	<u>tons</u>
Offals	10.7	15.7
Fatbacks	8.1	7.5
Dressed Poultry	-	1.1
Total	18.8	24.3

Imports of frozen offal from the United States increased by 50 percent in 1956 over 1955. The high quality of United States pork livers, which constituted about 70 percent of the offal imports from the United States, has improved the quality of German liver sausage, increased consumption and import requirements. The increase in imports from the United States accounted for the entire increase in German imports of these products in spite of the fact that the United States products were obliged to carry a premium of about 16 percent under the "Soft Goods Regulation" (Weichwarenregelung).

The German market is at present well supplied with United States offal and only a relatively small quantity of premium dollars remains to be used for imports from the United States. All imports under the premium dollar plan were to be customs-cleared before July 1, 1957. Free dollar tenders will replace the hitherto existing regulation (first tender for United States offal was published on June 15, 1957). However, because of the present over-supply of domestic hogs, total offal exports to Germany in 1957 will probably not quite reach the 1956 level.

During the first half of 1956, fatback imports for the United States were made under the premium dollar plan. A free dollar tender was substituted in August of 1956, under which imports could be made through March 31, 1957. Despite a marked over-supply on the domestic market, with the Government buying large numbers of hogs and also storing domestic fatback to support prices, a new tender for United States fatback was published June 19, 1957. The German Ministry expects to import about 40 percent less fatback in 1957, but expressed the opinion that total imports from the United States might decline only slightly.

Citrus, Raisins and Almonds

Citrus, Raisins and Almonds: West German imports from the United States, 1955 and 1956

	1955			1956	
	<u>Metric tons</u>	<u>thousand dollars</u>		<u>Metric tons</u>	<u>thousand dollars</u>
Citrus Fruit	26,641	5,399		58,455	12,441
Raisins	6,339	1,261		6,246	1,806
Almonds	51	<u>43</u>		2,147	<u>4,493</u>
Total		6,703			18,740

The substantial increase in imports from the United States was made possible by opening of import possibilities for free dollars and the abolition of the premium dollar import plan which was previously applied to these commodities. In addition, almond imports from the dollar area were liberalized as of June 19, 1956. Another factor which stimulated purchases in the United States was the poor 1956 citrus and almond crop in the Mediterranean area.

Continuation of citrus and raisin imports from the United States in 1957 is made possible under the open import tender which was published in November 1956 and which runs to the end of 1957. The actual amount purchased will, however, depend largely on the supply and price position for citrus, raisins and almonds in the United States in comparison with that in competing supplier countries. A handicap for United States citrus on the German market might be the application of decay inhibitors and coloring to United States citrus. The new German Food Law, now in preparation, may entirely prohibit the use of these chemical additives to foods.

Canned Fruit, Vegetables and Fruit Juice

Canned Fruit, Vegetables and Fruit Juice: West German imports from the United States, 1955 and 1956

	1955			1956	
	<u>Metric tons</u>	<u>thousand dollars</u>		<u>Metric tons</u>	<u>thousand dollars</u>
Canned Vegetables	4,415	1,018		9,882	2,480
Canned Pineapple 1/	-	-		64	22
Other Canned Fruit	918	246		2,138	616
Canned Fruit & Vegetable Juices	9,285	1,757		14,703	3,361
Other Fruit & Vegetable Preparations 2/	37	<u>20</u>		7	<u>4</u>
Total		3,041			6,483

- 1/ Imports from Hawaii are not listed under the United States. Imports of canned fruit preparations, primarily pineapple, amounted to \$1.5 million in 1955 and \$5.7 million in 1956.
- 2/ Pickled vegetables, marmalade, etc.

Major items included in the above data are: Canned asparagus (mostly center cuts), canned apricots and peaches and canned citrus and tomato juice. Imports during 1956 were facilitated by the termination of the premium dollar import plan and the consequent publication of import tenders, or, as in the case of tomato juice, liberalization. Canned vegetables (other than asparagus) and canned fruit came in under global tenders, issued last fall because of the poor domestic 1956 fruit and vegetable crop.

Repetition of these generous import possibilities in 1957 will depend primarily on the size and quality of the domestic harvest. However, a good market has been established for asparagus with or without tips and citrus and tomato juice. Current tenders for canned asparagus cuts, citrus juices and pineapple, with a running period to the end of December 1957, assure a continuation and possible increase in imports of these commodities from the United States during 1957. Since tomato juice is liberalized imports will probably increase in 1957.

Oil Cakes

While imports of oilcakes and meals from the United States had been very small through 1954, they reached 6.8 percent of total imports of oilcakes and meals in 1955 and increased to 9.2 percent of the (larger) total in 1956.

Oil Cakes: West German imports from the United States, 1955 and 1956

	1955	1956
	<u>Metric tons</u>	<u>Metric tons</u>
Oilcakes and meals from:		
Peanuts	764	2,625
Linseed	11,625	24,079
Soybeans	2,124	5,175
Others (e.g. cottonseeds, sesame)	9,609	6,184
Total	24,122	38,063

Although the importation of oilcakes and meals is not liberalized, there is a minimum of restrictions and both import and export are handled in a liberal manner. Beginning in 1955, imports from the dollar area were also permitted on a larger scale and import possibilities have been kept open. One reason for the further increase in 1956 imports was the large export demand for oilseed residue processed in Germany. Argentina's failure to deliver sufficient quantities of linseed meal at favorable prices was also an important factor

which helped to account for the 55 percent increase in oilseed residues from the United States. Imports of linseed residues from the United States more than doubled and accounted for 63 percent of total United States exports of oilseed residues to Germany in 1956.

It is doubtful that this large share of linseed residue imports can be maintained in 1957. Argentina is again quoting low prices and may even turn more attention to the West German market, since one Argentine export outlet, France, has been shut off. However, there is a real chance to increase exports of other United States oilseed residues to Germany, e.g., soybeans, peanuts and cottonseed, so that the 1956 total may be surpassed, provided the United States remains competitive as to price and quality.

Other Fruit

Other Fruit: West German imports from the United States, 1955 and 1956

	1955			1956	
	Metric tons	thousand dollars		Metric tons	thousand dollars
Fresh Apples	-	-		1,719	380
Dried Prunes	1,742	524		5,784	1,788
Dried Apricots and Peaches	35	21		124	86
Dried Apples and Pears	550	364		1,364	800
Other Fruit ^{1/}	75	34		56	14
Total		943			3,068

^{1/} Table grapes, hazelnuts, walnuts, pears

The increase in imports under this group of products during 1956 is due to the resumption of fresh apple purchases, after an interruption of 3 years, and a considerable increase in dried fruit imports. Apple imports came in under the tender of December 3, 1955 which had a value limit of 600,000 dollars. Because of the high United States apple price, only part of the import possibilities were realized. Dried fruit imports were facilitated in 1956 by the publication of free dollar tenders (abolition of the premium dollar plan) and by liberalization of dried fruit imports from the dollar area in mid-1956. Supply shortages of dried fruit in other exporting countries, particularly prunes in Yugoslavia, favored German purchases in the United States.

Prospects for fresh apple and pear imports from the United States in 1957 will depend largely on the German apple harvest and that of neighboring exporting countries. Apples are included in several bilateral trade agreements (Belgium, Italy, Netherlands, Australia, New Zealand, South African Union), and import requirements are primarily covered by purchases from these trade partners. Provided United States export prices remain competitive, United States dried fruit exports to Germany, especially prunes, are expected to continue favorable, with possible increases in exports of Californian prunes.

Miscellaneous Agricultural Commodities

The increase in imports in this commodity group is due to principally much larger butter and rice purchases which more than offset declines in sales of some other items. Butter imports from the United States were made possible for the first time since World War II by the publication of an import tender in late 1955. Most of the butter imported under this tender arrived in 1956. Due to the more generous handling of rice imports from the United States, shipments of broken rice for processing and, in part, re-export considerably increased during 1956. Outlook for 1957 points to a continuation of imports of United States broken rice at about the 1956 level; import prospects for United States whole rice remain low. Butter export possibilities for 1957 are very meager.

The decline in honey imports from the United States resulted from United States price increases for honey, particularly during the decisive German purchasing months. In addition, United States honey prices are burdened by the premium dollar system under the existing soft goods arrangement honey-Moha milk. This regulation is to be abolished on June 30, 1957. Thereafter prices for United States honey in Germany may become competitive. Provided import tenders for United States honey against free dollars are issued, imports during 1957-58 might increase again.

Miscellaneous Agricultural Commodities: West German imports from the United States, 1955 and 1956

	1955			1956	
	<u>Metric tons</u>	<u>thousand dollars</u>		<u>Metric tons</u>	<u>thousand dollars</u>
Butter	180	167		3,149	3,189
Casings	2,432	1,853		2,335	1,728
Honey	6,327	1,737		3,398	1,141
Rice	2,422	172		8,609	625
Pulses	7,965	1,192		5,638	872
All Others ^{1/}	10,838	<u>6,310</u>		10,270	<u>7,123</u>
Total		11,431			14,678

^{1/} Including clover and grass seed, hops, animal and vegetable fibers (excluding cotton), and bed feathers.

West Germany: Imports of agricultural products from the
United States, Calendar years 1955 and 1956

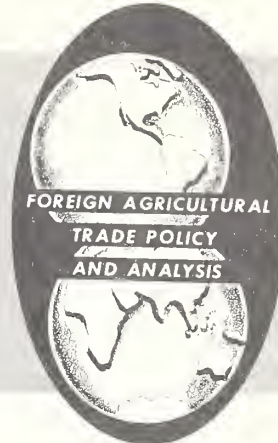
Commodity	Value		Percent Change
	1955	1956	
<u>Million dollars</u>			
Cotton	54	49	- 9
Breadgrains	49	60	+ 22
Tobacco	39	40	+ 3
Oilseeds (edible)	37	47	+ 27
Coarse grains	18	43	+ 139
Fats and oils for industrial use	19	27	+ 42
Lard, tallow & other animal fats	16	17	+ 6
Meat and meat products	7	9	+ 29
Citrus, raisins and almonds	7	19	+ 171
Canned fruit, vegetables and fruit juice	3	6	+ 100
Oilcake	2	3	+ 50
Other fruit	1	3	+ 200
Miscellaneous 1/	28	32	+ 11
Total	292	385	+ 32

1/ Including casings, bed feathers, wool and hair, raw and treated lintens, honey, seeds other than oilseeds, edible pulses, eggs, egg white, yolk, rice, hides and skins, miscellaneous vegetable foodstuffs, and butter.

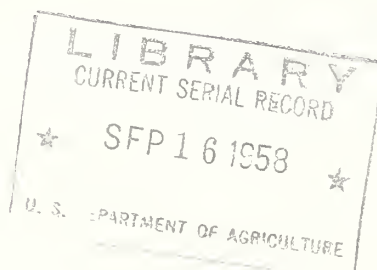
Source: Federal Statistics Office, Wiesbaden: Der Aussenhandel der Bundesrepublik Deutschland, Part III.

FOREIGN AGRICULTURE CIRCULAR

U. S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



FATP 19-57
July 18, 1957



U. S. AGRICULTURAL EXPORTS

BY DESTINATION

CALENDAR YEAR 1956

Exports to "top-5" markets in 1956 again just under half of total. Our 5 best markets accounted for 43 percent of total agricultural exports in 1956 compared with 48 percent in 1955, 52 percent in 1954, and 44 percent in 1953. The United Kingdom moved up to first place in 1956, leaving Japan a close second, followed by West Germany, Canada, and the Netherlands. Compared with 1955, shipments last year increased to each market: United Kingdom, 12 percent; Japan, 2 percent; West Germany, 51 percent; Canada, 21 percent; and the Netherlands, 12 percent.

Other markets gain more since 1953 than "top 5." Export value in 1956 was \$1.3 billion greater than the postwar low in 1953. The "top-5" markets accounted for 40 percent of the gain. More significant, however, is the fact that 60 percent of the rise was in shipments to other countries, mainly Spain, Belgium, Italy, Greece, Turkey, India, Indonesia, France, Switzerland, and Brazil. Each of them gained at least \$25 million since 1953.

1956 exports of farm products highest on record. Totaling \$4.2 billion, exports surpassed in value the prior record of \$4.1 billion in 1919. Quantity also was at an alltime high. Shipments in 1956 were 30 percent ahead of 1955 in value, 35 percent in quantity. Increases occurred in all major export classes except tobacco. Food grains were up 64 percent in value; feed grains, 8 percent; cotton, 53 percent; fats, oils, and oilseeds, 29 percent; fruits, nuts, and vegetables, 34 percent; and animal products other than fats and greases, 23 percent. Tobacco was down 7 percent.

* * *

Leading recipients of principal commodities in 1956 were:

...Food grains--Pakistan

- ...Feed grains--United Kingdom
- ...Cotton--Japan
- ...Fats, oils, and oilseeds--Spain
- ...Tobacco--United Kingdom
- ...Fruits, nuts, and vegetables--Canada
- ...Animal products, excluding fats and greases--Canada

Principal commodity exported to each of the "top-5" outlets was:

- ...United Kingdom--tobacco
- ...Japan--cotton
- ...West Germany--fats, oils, and oilseeds
- ...Canada--fruits, nuts, and vegetables
- ...Netherlands--fats, oils, and oilseeds

MAJOR COMMODITY SHIFTS

Food grain exports gain chiefly to 7 countries. Over 80 percent of the gain over 1955 was in shipments to Pakistan, up \$77 million; France, \$52 million; India, \$42 million; Indonesia, \$38 million; United Kingdom, \$37 million; Egypt, \$31 million; and Brazil, \$27 million. With few exceptions, the increase in shipments was made possible by Public Law 480 inasmuch as few of these countries could make large dollar payments. Although Japan was the chief taker of U. S. food grains in 1955, her take in 1956 was the smallest in 5 years, reflecting successive bumper rice and good wheat crops there.

Larger feed grain shipments mainly to 4 countries. Exports are significant only to a few countries. Last year's gains were mainly to West Germany, Canada, Korea, and Mexico. Reductions occurred for the United Kingdom, India, and Turkey. Continuing as regular customers of importance were Japan, the Netherlands, and Belgium. The high level of exports is associated with the growing foreign demand for livestock products.

Seven countries stand out in cotton export gain. Nearly 90 percent of the gain in cotton and cotton linter exports in 1956 over 1955 was accounted for by these countries: Japan, up \$59 million; United Kingdom, \$36 million; Italy, \$35 million; West Germany, \$33 million; India, \$23 million; Belgium, \$20 million; and France, \$15 million. The CCC cotton export program at competitive prices was the dominant factor. Public Law 480 Title I foreign currency sales were important for Italy and India. ICA foreign currency sales also were a factor in the overall gain.

Major customers in need of less U. S. tobacco. Among the major export products, tobacco alone declined in 1956. But the 1955 value is the highest on record. Chief decline was to the United Kingdom, followed by the Philippines, Japan, and Australia. The Philippines limited entry of U. S. leaf; the others increased stocks in 1955. Notable gains were to West Germany and Indonesia, countries building up stocks, the latter using Title I foreign currency sales facilities.

Five countries prominent in export gain for animal and vegetable oils.

Over 80 percent of the increase resulted from larger shipments to Spain, up \$58 million; West Germany, \$23 million; Italy, \$16 million; Argentina, \$14 million; and Canada, \$12 million. Major items were lard, tallow, cottonseed and soybean oils, and soybeans. Larger shipments in 1956 reflected ample supplies, high quality, and competitive prices in the United States, shortages in other producing areas (mainly Spain, Italy, and Argentina), and increased consumption levels generally. Spain and Argentina took large quantities under Title I of Public Law 480. Last year over 93 percent of our lard exports went to 10 countries; and nearly 60 percent of our tallow and greases to Western Europe, with another 14 percent to Japan.

Canada leading purchaser for U. S. fruit, nut, and vegetable group. In 1956, 42 percent of such exports went to Canada. Shipments to this country increased by \$28 million out of a total increase of \$100 million. Other countries that figured prominently in the gain were: West Germany, up \$20 million; the Netherlands, \$14 million; and the United Kingdom, \$11 million. Gains were due in part to poor harvests, especially in Canada, Spain, and Yugoslavia. Also, some European countries allowed more imports of these items from the dollar area.

Many countries figure in animal product export gain. Exports of animal products, excluding fats and greases, made another substantial gain in 1956. About half of the gain consisted of dairy products. In addition, substantial amounts of dairy products are included in the private relief column of the accompanying table. Animal product increases occurred for 27 of the 41 countries listed in the table. Shipments to 22 were at a 5-year peak, principally Spain, Italy, Turkey, West Germany, Canada, and Vietnam, Laos, and Cambodia. Exports were aided by special U. S. Government programs: Sizable quantities of beef were shipped to Spain and Israel under Public Law 480; some went under the ICA foreign currency sales program. The Netherlands and West Germany continued to import more U. S. variety meats.

Shipments for relief or charity by private groups increase slightly. This category for several years has included dairy products and cottonseed oil; in the past year or two, also grains and beans. Most items are donated by CCC to private agencies which distribute them to needy persons overseas. Principal recipient in 1956 was Italy. Substantial increases occurred for Spain, Portugal, and Vietnam, Laos, and Cambodia. Shipments to Egypt declined from the extraordinarily high level of 1955.

OVER \$270 MILLION IN PRODUCTS
GO TO EACH OF "TOP-5" MARKETS

Britain the leading outlet. Shipments of farm products to the United Kingdom rose in 1956 to exceed those to Japan, our No. 1 foreign customer in 1955. Increases for wheat, cotton, and fruits more than offset losses

for tobacco, corn, soybeans, and linseed oil. Cotton exports rose sharply following resumption of competitive pricing. Gains in wheat and fruit resulted mainly from short crops in some competing countries and, for wheat, the good quality of the protein of our 1956 hard winter crop. The United States increased its share in the value of Britain's cotton imports from 22 to 30 percent; in grain imports from 22 to 26 percent; and in fruits and vegetables from 4 to 6 percent. Our share in Britain's tobacco imports declined from 53 to 52 percent, reflecting a downward adjustment from the extraordinary increase of 1955. The decline for U. S. soybeans and linseed oil in the British market also represented some downward adjustment from high 1955 levels. Some exports moved under foreign currency sales programs, but the bulk comprised sales for dollars.

U. S. exports to Japan continue at high level. Despite improved agricultural production in Japan, the United States maintained its exports to that country at a high level in 1956. However, Japan increased her imports from other sources by one-fifth. After 2 years of bumper rice crops in Japan, U. S. shipments of food grains dropped sharply. Cotton exports recovered from the big decline. Main factors were: Lower U. S. prices, removal of Japan's restriction on textile output, and increased consumption and exports of textiles. U. S. tobacco shipments declined from the unusually high 1955 level. Fats, oils, and oilseeds as a group were down slightly from the 1955 peak; principal items were soybeans, used as a protein food, and inedible tallow, used for soap manufacturing. Feed grains were steady; animal products up. Latter were mainly nonfat dry milk solids and hides and skins. Public Law 480 exports were about 30 percent of the total in 1955 and 1956.

Exports to West Germany gain more than 50 percent. Our third largest market is West Germany. Exports to it gained more than 50 percent, with cotton, wheat, barley, corn, citrus fruit, tallow, soybeans, and cottonseed oil all contributing. With U. S. cotton prices generally competitive after July, cotton exports to West Germany about doubled. Our wheat maintained its share (about one-fourth) in total German wheat imports, which were increased partly to raise reserve stocks. The gain for barley and corn, which far offset the loss for sorghum grains, reflected increased requirements for livestock feed and a policy of increasing stocks. More liberal licensing of fruit, a short citrus crop in Spain, and a short prune crop in Yugoslavia resulted in increases for our fruit exports. Fats, oils, and oilseeds as a group improved, reflecting favorable U. S. prices. Much of the increased exports went into stocks. Between 80 and 90 percent of our total exports were for dollars.

Exports to Canada, top dollar market, at record level. Exports of fruits, nuts, and vegetables comprise the largest single commodity group going to Canada. Canada took over 40 percent of our exports of this group, including oranges, grapefruit, grapes, orange juice, lettuce, potatoes, and tomatoes. Part of the increase in fruits and vegetables is attributed to Canada's shorter crops in 1956. Increases also occurred in soybeans, corn, and various animal products. Declines were in rice and cotton. Canada is a natural market for U. S. exports; it is a reliable, convenient, prosperous, and cash dollar outlet.

Purchases by the Netherlands reach record high. Exports to the Netherlands, our fifth largest market, also reached a record high in 1956. Nearly all of our exports were for dollars. Principal gains were in wheat, rye, cotton, fresh oranges, and other fruits. The large increase in U. S. wheat shipments was due mainly to reduced crops in the Netherlands in both 1955 and 1956, to the poor quality of the Dutch 1956 crop, and to smaller shipments from France. Cotton exports went up when U. S. prices became competitive. Below-normal crops in the Mediterranean area were responsible for the rise in exports of citrus fruits and almonds. Favorable prices for canned pineapple encouraged sales for this product.

EXPORT TOTAL FOR NEXT 5 OUTLETS
BETWEEN \$100-\$200 MILLION

U. S. aid makes possible record level exports to Spain. Exports increased by 78 percent in 1956, to reach a new record. Soybean oil and beef predominated in the rise, mainly the result of Title I sales and larger requirements due to a poor olive crop and increased demand for meat. Other Title I products included wheat, corn, cotton, cottonseed oil, tobacco, potatoes, and tallow. Title I sales accounted for about half of total exports. With almost all exports financed by special Government programs, especially Title I and Mutual Security, our exports to Spain increased, despite a decline in Spain's scanty supply of dollars. Its foreign exchange position as a whole worsened, partly as a result of a freeze in February 1956 which cut its citrus fruit exports and, consequently, its foreign exchange earnings.

Belgium a sound market for our products. Expanded shipments of wheat, cotton, soybeans, flaxseed, and oranges made the principal contributions to the 51 percent gain in exports to Belgium. Nearly all of our sales to Belgium were for dollars. Belgium's greater wheat import needs reflected an inferior harvest. Also, Argentina had a small crop and was not a supplier to Belgium in 1956. Increased exports of cotton followed in the wake of competitive prices. Relative prices for oilseed and oil and the need for feed imports strengthened demand for oilseed compared with that for oil. Larger shipments of flaxseed were due in part to a small Argentine crop and competitive prices for U. S. seed. The short Mediterranean crop contributed to greater demand for U. S. oranges.

Public Law 480 main factor in export gain to Italy. The 62-percent gain in exports to Italy reflected principally increases in cotton, tallow, soybean oil, butter, cheese, corn, and wheat. Nearly two-thirds of the export total were under Public Law 480 as compared with half in 1955. A small share moved under the ICA foreign currency sales program, and nearly 30 percent were sales for dollars. Main causes of advances in our exports were lower prices for cotton, larger requirements of edible oils due to a small olive crop, increased shipments of dairy products and wheat for the school lunch program, increased requirements of corn and protein concentrates for Italy's expanding livestock industry, and liberalization early in 1956 of inedible tallow and hides and skins.

French market temporarily large. Exports to France in 1956 doubled, with wheat alone accounting for 74 percent of the increase and cotton for 22 percent. Our wheat sales, mostly for dollars, were the result of a bad 1956 French wheat crop. A net exporter in the 3 previous years, France had to import large quantities in 1956 to help cover domestic requirements and to meet export commitments. Cotton picked up when our exports became available at competitive prices; most moved under the ICA foreign currency sales program. Other commodities showing significant increases in 1956 included corn, rice, butter, prunes, and flaxseed. Corn, rice, and butter were practically all moved under U. S. export programs. U. S. gains in the French prune market resulted from poor crops in France and Yugoslavia. The increase in flaxseed exports reflected mainly a poor 1955 harvest in Argentina and, consequently, short world supplies in 1956.

Cuban economy healthier in 1956. Cuba's economy strengthened last year after sugar exports increased. U. S. exports to Cuba recovered from the sharp drop in 1955. She is by far the foremost Latin-American outlet for U. S. farm products. Principal gains were in rice and wheat.

SELECTED MAJOR AGRICULTURAL OUTLETS IN THE \$50-\$100 MILLION GROUP

Yugoslavia receives much U. S. aid. Exports to Yugoslavia in 1956 were about 16 percent under the 1955 level but well above earlier years. About two-thirds moved under Public Law 480, and most of the rest under the ICA foreign currency sales program. The decline in our exports in 1956 was the result of smaller wheat shipments, which were only partly offset by gains in cotton and fat. Wheat from the Soviet Union brought total Yugoslav wheat imports in 1956 to over one-third more than in 1955.

Public Law 480 important in exports to Pakistan. Exports to Pakistan have opened new doors to U. S. exporters, but Pakistan is not a dollar market. Nearly all of the exports in 1955 and 1956 were under Public Law 480. Bulk of the increase was in wheat and rice; other commodities were tobacco, linseed oil, cotton, and ghee. Pakistan uses U. S. tobacco leaf in its higher priced cigarettes. Much of the Title I cotton goes to third countries for manufacture into textiles which are in turn shipped to Pakistan. Her armed forces have been using U. S. ghee. She imported U. S. cottonseed oil in 1955 to check rising prices of the domestic product but took hardly any fats and oils in 1956.

Public Law 480 boosts shipments to India. Shipments to India in the past 4 years have been nowhere near the extraordinarily high level of 1952 when she imported U. S. grains and cotton in considerable volume. Last year's exports were doubled those of the year before and highest since 1952. Gain was in wheat, rice, and cotton, partly under Public Law 480. In the past 2 years, over 60 percent of shipments to India were under Public Law 480.

U. S. aid maintains Korean economy. Wheat and barley, mostly under Title I, predominated in last year's gain in exports to Korea. Cotton, the principal export, rose but little in value though volume was up notably. Practically all the tobacco increase was under Title I. In recent years, most of Korea's agricultural imports have come from the United States through aid financing.

Unfavorable weather cuts Indonesia's output of tobacco. Last year's increase in shipments to Indonesia consisted mostly of rice and tobacco under Title I. Title I accounted for 90 percent of 1956 exports. The country had planned to attain self-sufficiency in rice output, but this seems unlikely for several years because of lack of fertilizer. Rice import needs are likely to continue for several years as increased production is expected to do little more than keep up with population rise. Indonesia's output of tobacco was hit by floods and unfavorable weather in 1955 and 1956.

OTHER 1956 COUNTRY HIGHLIGHTS

- ...Larger shipments to Mexico included mainly wheat and feed grains; amounts were small relative to Mexican consumption.
- ...Exports to Switzerland were up 15 percent: More wheat, cotton, tobacco, almonds, and fruits.
- ...Philippine import restrictions reduced U. S. tobacco exports. Philippines have encouraged Virginia leaf production through high price supports. The price is much higher than imported leaf of similar or even better quality.
- ...Notable developments for Egypt were the considerable increase for wheat exports, under Public Law 480, and a heavy drop in private relief.
- ...Exports to Israel continued to grow: More wheat, partly under Title I; less butter, all under Title I.
- ...The gain in exports to Brazil was mostly in wheat, under Title I.
- ...Title I cottonseed oil made up 96 percent of U. S. exports to Argentina, reflecting her shortage of sunflower seed.
- ...Exports to Bolivia made another big gain, mostly in food grains, under Public Law 480 and ICA programs.

Prepared in the Trade Statistics Branch, FAS, in cooperation with commodity and regional specialists. Detailed statistics for 1956 appear in the publication Foreign Agricultural Trade of the United States--Trade by Countries, 1956.

U. S. Agricultural Exports
Major Countries of Destination by Major Commodity Groups
Calendar Years 1952-1956

Country and year	Total	Grains and preps.	Cotton and	Fats, oils, and oil- seeds	Tobacco, unmfd.	Fruits, nuts, and vegs.	Animal prod- ucts	Private relief	Other
		Food 1/	Feed 2/	linters					

----- Million dollars -----

Total									
1952	3,427.0	1,116.6	365.2	873.5	304.4	251.2	183.5	8.1	79.0
1953	2,843.8	753.0	305.1	521.2	302.8	251.4	219.9	49.1	100.5
1954	3,046.3	546.3	203.1	787.7	484.5	295.0	247.3	71.7	107.6
1955	3,194.6	579.4	360.7	477.0	511.5	292.8	304.9	170.9	137.2
1956	4,157.7	949.4	389.1	728.7	661.8	392.4	373.5	175.3	154.0

United Kingdom

1952	273.9	35.3	65.6	87.3	26.0	7.7	4.8	2.3	8.6
1953	295.9	29.4	55.5	53.4	9.4	8.0	5.8	1.4	6.2
1954	362.7	23.5	59.1	92.5	37.0	17.4	12.2	0.6	10.6
1955	376.9	26.0	86.3	43.4	38.7	19.4	17.0	0.3	16.0
1956	421.9	63.2	76.6	79.3	29.5	30.7	18.6	0.2	12.8

Japan

1952	428.7	156.9	26.8	176.1	39.6	2.3	16.1	0.2	4.4
1953	367.2	120.5	22.3	115.7	66.1	3.0	22.0	0.5	8.6
1954	417.7	120.4	21.9	175.1	69.0	1.6	20.1	1.4	2.3
1955	386.1	114.6	28.4	121.2	77.5	1.2	22.9	1.3	5.0
1956	391.5	67.6	28.8	180.2	72.9	1.8	26.8	2.8	5.5

West Germany

1952	279.3	90.7	24.5	79.1	25.0	5.3	5.9	1.8	2.3
1953	218.8	62.7	9.9	44.3	24.0	5.1	11.2	14.3	4.1
1954	266.8	54.3	8.2	88.9	43.7	10.0	15.3	14.7	4.9
1955	241.9	39.0	22.5	38.1	56.5	8.6	16.9	15.9	6.4
1956	365.6	52.8	39.4	70.6	79.4	29.1	24.9	19.3	7.1

Canada

1952	259.3	8.5	17.9	53.3	35.8	0.9	114.0	16.2	Z/	12.7
1953	246.3	10.2	11.5	40.9	31.8	1.7	112.0	20.2	Z/	18.0
1954	298.5	8.4	21.4	50.9	43.3	1.6	130.5	19.6	Z/	22.8
1955	282.3	11.1	8.1	37.2	34.3	1.4	134.7	27.9	Z/	27.6
1956	340.8	5.6	18.3	30.1	46.0	1.6	162.6	34.0	Z/	42.6

Netherlands

1952	159.3	31.5	33.2	29.3	34.1	16.4	8.0	4.9	0.1	1.8
1953	133.9	18.8	21.7	12.9	38.6	16.6	10.1	11.2	0.1	3.9
1954	246.4	21.0	22.1	21.8	110.7	17.0	19.2	22.2	Z/	12.4
1955	242.7	38.3	64.4	10.2	73.7	13.4	12.3	20.2	Z/	10.2
1956	272.7	48.7	61.8	20.1	71.7	15.1	26.0	19.0	Z/	10.3

Spain

1952	25.9	2.1	0.3	22.4	0.1	0.7	Z/	0.2	Z/	0.1
1953	37.1	14.1	Z/	20.1	0.1	1.5	0.3	0.9	Z/	0.1
1954	57.2	29.2	Z/	21.0	0.3	2.1	0.1	0.4	4.0	0.1
1955	93.4	0.9	3.1	45.7	24.4	3.5	Z/	1.8	13.9	0.1
1956	166.0	1.2	2.7	39.3	82.6	3.2	1.5	14.3	20.9	0.3

Belgium

1952	127.3	32.3	34.4	26.3	13.4	6.6	8.4	4.2	Z/	1.7
1953	77.7	11.2	27.2	8.8	9.5	5.1	8.9	4.9	Z/	2.1
1954	85.3	9.7	17.9	15.9	15.4	5.0	12.7	4.8	0.1	3.8
1955	109.1	12.8	45.6	4.8	16.2	9.2	9.8	4.7	0.1	5.9
1956	164.8	33.1	49.2	24.6	23.4	8.7	14.6	5.1	0.1	6.0

Italy

1952	191.6	49.5	3.7	119.5	11.6	2.4	2.2	1.4	Z/	1.3
1953	103.6	27.7	4.3	42.6	8.0	4.4	1.7	3.6	Z/	11.3
1954	91.5	0.8	0.2	56.5	12.6	3.2	1.5	2.6	4.0	10.1
1955	93.8	7.3	1.2	24.6	16.0	3.4	1.7	7.6	29.0	3.0
1956	160.3	10.7	5.5	60.0	32.3	4.9	1.6	19.8	25.3	0.2

France

1952	108.8	35.6	3.1	59.9	1.5	5.1	2.0	0.7	0.3	0.6
1953	112.7	0.1	9.0	84.7	5.7	3.4	6.7	0.9	0.4	1.8
1954	124.6	Z/	0.5	107.2	4.7	6.1	1.8	1.3	1.2	1.8
1955	68.7	Z/	2.2	37.6	13.0	4.5	3.8	2.1	2.6	2.9
1956	138.1	52.2	4.5	52.6	11.3	3.8	3.9	4.1	2.0	3.7

U. S. Agricultural Exports
Major Countries of Destination by Major Commodity Groups
Calendar Years 1952-1956 --continued

Country and year	Total	Grains and preps.: Food 1/ : Feed 2/	Cotton and lintners	Fats, oils, and oil-seeds 2/	Tobacco, unmd.	Fruits, nuts, and vgs.	Animal prod-ucts	Private relief	Other
----- Million dollars -----									
Cuba									
1952	154.0	62.8	3.3	3.9	25.1	7/	22.2	7/	5.8
1953	143.4	71.4	2.3	1.6	23.2	7/	15.7	7/	4.6
1954	133.5	50.5	2.4	4.7	33.0	0	14.5	0.2	4.7
1955	107.6	32.4	2.5	1.4	25.5	7/	17.4	7/	5.1
1956	123.6	42.5	2.7	3.2	26.0	0	18.4	0	5.5
Yugoslavia									
1952	41.0	6.4	5.8	19.7	7.1	0.8	0.9	0.2	0.1
1953	74.4	42.3	7.9	11.9	4.6	1.3	4.5	7/	1.2
1954	74.4	52.5	0.5	8.3	6.9	0.4	4.8	0.8	0.2
1955	109.4	75.5	1.1	13.0	4.9	0	1.2	13.3	0.4
1956	92.4	45.8	0.5	18.2	13.4	0	3.7	10.6	7/
Pakistan									
1952	12.9	10.8	0	0	0	2.0	0	7/	0.1
1953	75.6	73.3	0	0	0	1.5	0.1	0.7	7/
1954	5.8	2.1	0	0	0.4	2.0	0.8	0.5	7/
1955	16.4	7/	7/	3.1	4.1	2.3	1.7	4.2	1.0
1956	91.1	76.7	7/	0.1	0.2	2.2	1.8	8.2	1.8
India									
1952	258.6	122.7	35.8	94.7	0.2	4.3	0.4	0.4	0.1
1953	54.2	33.4	10.5	5.7	0.3	1.3	0.5	1.5	1.0
1954	44.4	1.6	0.1	37.6	0.1	1.4	1.4	1.7	0.5
1955	43.9	7/	11.1	3.0	0.1	2.9	2.3	23.7	0.8
1956	87.1	42.5	7/	25.8	0.1	1.7	2.8	13.4	0.8

Korea

1952	69.0	25.3	31.5	11.3	0.4	0	Z/	0.4	0.1	Z/
1953	66.6	34.1	17.4	7.9	2.1	0	0.1	2.9	1.4	0.7
1954	39.0	6.4	2.0	20.4	2.6	0	0.1	3.7	3.8	Z/
1955	42.7	4.2	1.5	24.7	1.9	0	0.1	5.3	4.9	0.1
1956	79.6	13.4	14.4	26.5	2.7	4.7	0.1	7.8	7.7	2.3

Venezuela

1952	68.0	9.9	5.2	Z/	3.0	0.5	12.6	33.4	Z/	3.4
1953	68.6	12.6	5.5	Z/	1.7	0.5	11.1	33.2	Z/	4.0
1954	63.6	11.0	4.6	Z/	2.3	0.5	12.1	29.4	Z/	3.7
1955	72.9	12.6	5.0	Z/	2.7	0.8	13.8	34.1	Z/	3.9
1956	72.4	13.6	5.9	0.3	2.6	0.4	12.1	33.7	0	3.8

Mexico

1952	100.0	40.3	5.8	0	15.6	2.2	15.0	16.6	Z/	4.5
1953	103.2	19.9	32.7	Z/	12.6	2.2	12.7	18.1	Z/	5.0
1954	59.4	6.0	10.1	0	14.4	3.7	6.0	14.9	Z/	4.3
1955	49.4	1.7	2.6	0	11.1	2.1	5.3	20.1	0.1	6.4
1956	68.6	6.9	10.6	0	12.2	2.5	5.8	22.7	0.2	7.7

Greece

1952	28.4	26.8	0.5	0	Z/	Z/	0.2	0.5	0.3	0.1
1953	26.7	11.6	0.1	0	0.5	0	1.8	5.0	0.8	6.9
1954	22.6	16.1	0.2	0.6	0.1	0	Z/	1.9	3.6	0.1
1955	47.8	21.8	2.7	0.8	4.2	0	Z/	2.7	15.5	0.1
1956	62.5	29.2	6.5	0.4	11.3	0	0	1.1	10.5	3.5

Switzerland

1952	46.2	11.5	3.4	6.8	6.9	7.4	5.9	2.7	0	1.6
1953	31.1	0.6	2.1	4.0	4.9	8.2	7.6	2.6	Z/	1.1
1954	41.3	1.4	1.3	7.2	7.6	8.5	10.5	3.2	Z/	1.6
1955	36.9	1.7	5.1	2.9	5.4	7.9	8.1	2.9	Z/	2.9
1956	56.1	11.6	1.9	12.1	3.4	9.4	11.4	4.3	0	2.0

Indonesia

1952	24.1	11.9	0	2.8	0.1	8.8	0.1	0.2	Z/	0.2
1953	23.3	10.4	Z/	3.3	0.1	8.7	0.2	0.6	Z/	Z/
1954	14.0	1.0	Z/	5.0	0.1	7.1	0.2	0.2	0.1	0.4
1955	12.2	1.3	Z/	3.9	0.1	5.9	0.2	0.7	0.1	Z/
1956	54.7	39.6	0.1	4.2	0.1	9.4	0.2	0.8	0.3	Z/

U. S. Agricultural Exports
Major Countries of Destination by Major Commodity Groups
Calendar Years 1952-1956 --continued

Country and year	Total	Grains and preps.: Food 1/ : Feed 2/	Cotton : and : linters :	Fats, : oils, : and oil- : seeds 2/	Tobacco, : unmfd. :	Fruits, : nuts, : and : vegs. :	Animal : prod- : ucts : 4/	Private : relief : 5/	Other : 6/
----- Million dollars -----									
Philippine Republic									
1952	54.7	8.5	2.0	1.0	2.3	15.4	5.0	17.3	3.2
1953	59.2	7.7	2.9	2.3	2.7	11.4	5.7	22.8	3.6
1954	54.1	7.9	1.0	1.4	2.2	11.0	5.2	21.0	3.6
1955	60.0	10.5	0.9	2.2	1.8	11.4	4.5	24.5	4.2
1956	53.7	10.7	0.6	4.1	1.6	1.7	3.9	27.8	3.3
Taiwan									
1952	27.4	4.7	0.1	12.1	9.3	0.8	0.1	0.1	0.2
1953	44.0	9.7	0.1	18.6	13.7	1.0	2/	0.6	0.1
1954	43.6	12.2	1.8	15.4	10.3	1.5	2/	1.4	0.1
1955	55.9	12.4	0.1	22.2	13.0	1.8	2/	2.4	0.1
1956	51.5	12.8	0.5	12.7	12.9	2.8	0	1.6	0.1
Egypt									
1952	35.0	29.5	2/	0	3.0	2.3	0.1	0	0.1
1953	31.3	23.5	0.7	0	3.0	3.7	0.1	0.1	2/
1954	11.7	2.3	2/	0	3.8	3.6	0.1	1.2	0.2
1955	33.8	1.7	0.1	0	0.1	5.3	0.1	1.6	4.1
1956	48.5	32.9	0	0	4.2	4.3	0	1.0	0.2
Israel									
1952	30.3	16.7	0.7	1.9	4.6	0.2	1.1	3.8	0.3
1953	33.9	11.6	1.3	2.5	2.0	0.2	0.7	2.8	1.2
1954	35.0	6.8	0.7	3.0	3.9	0.1	3.4	4.7	0.5
1955	45.1	14.8	7.1	3.1	6.7	0.3	0.3	11.5	0.8
1956	47.5	19.0	5.8	3.1	7.0	0.2	1.1	9.1	0.8

Denmark											
1952	20.1	2.9	2.2	5.8	2.8	5.6	0.1	0.3	Z/	0.4	
1953	19.9	0.5	0.1	5.8	4.2	7.5	0.2	0.2	Z/	1.4	
1954	19.5	0.5	Z/	3.9	4.4	5.9	0.2	0.5	0	4.1	
1955	37.4	1.9	3.7	2.0	10.1	7.9	1.2	2.0	Z/	8.6	
1956	44.2	13.4	4.7	2.1	10.7	8.1	3.3	1.7	0.2	Z/	
Brazil											
1952	101.2	94.8	1.6	0	0.1	0.3	1.8	1.3	0	1.3	
1953	17.6	11.7	0.9	0	1.3	0.4	0.7	0.8	Z/	1.8	
1954	20.6	14.6	0.4	0	0.1	0.1	0.8	2.0	0.5	2.1	
1955	13.3	7.2	0.9	0	0.3	0.1	0.2	2.5	1.1	1.0	
1956	42.3	34.4	1.0	0	1.5	0.3	0.2	2.8	1.3	0.8	
Sweden											
1952	38.8	11.0	Z/	13.5	1.1	8.2	4.6	0.1	0.1	0.2	
1953	19.0	Z/	0.2	5.3	1.3	7.3	4.5	0.2	Z/	0.2	
1954	30.1	0.6	Z/	10.7	1.9	7.5	8.3	1.0	Z/	0.1	
1955	28.3	0.3	2.1	4.3	0.2	8.2	10.6	1.6	Z/	1.0	
1956	41.5	0.7	1.2	6.5	2.2	10.6	15.8	2.5	0	2.0	
Austria											
1952	51.1	20.5	15.0	7.1	5.5	2.5	Z/	0.2	0.3	Z/	
1953	44.4	13.4	12.2	11.1	3.2	1.9	0.1	0.5	1.9	0.1	
1954	17.7	0.7	5.1	4.6	3.5	1.3	Z/	0.2	2.2	0.1	
1955	25.8	0.6	11.2	2.4	3.4	2.5	0.1	0.6	4.9	0.1	
1956	38.1	7.1	11.4	5.4	4.1	4.6	0.4	0.4	4.4	0.3	
Turkey											
1952	1.4	0	Z/	0	Z/	0	Z/	1.2	Z/	0.2	
1953	1.3	0	Z/	0	Z/	0	Z/	1.2	Z/	0.1	
1954	6.3	5.9	0	0	Z/	0	Z/	0.2	0.1	0.1	
1955	28.6	12.4	11.3	0	4.0	0	Z/	0.7	0.2	Z/	
1956	35.8	21.4	0.3	0	4.8	0	0	9.2	0.1	Z/	
Vietnam, Laos, and Cambodia											
1952	6.2	Z/	Z/	3.9	Z/	2.3	Z/	0	0	Z/	
1953	6.1	0	0	3.5	Z/	2.5	Z/	0	Z/	0.1	
1954	5.3	0	0	1.9	0	1.5	Z/	0.1	1.8	Z/	
1955	13.5	4.2	Z/	0	Z/	3.1	0.4	1.6	4.2	Z/	
1956	35.2	4.4	0.5	0	0.3	5.3	0.6	8.5	13.9	1.7	

U. S. Agricultural Exports
Major Countries of Destination by Major Commodity Groups
Calendar Years 1952-1956 --continued

Country and year	Total	Grains and preps. Food 1 / : Feed 2 /	Cotton and linters	Fats, oils, and oil- seeds 2 /	Tobacco, unmfd.	Fruits, nuts, and vegs.	Animal prod- ucts	Private relief	Other
Norway									
1952	30.3	7.6	11.0	2.1	4.7	1.4	0.5	0.1	0.2
1953	24.4	4.9	7.7	1.9	4.6	2.0	0.5	Z/	0.5
1954	25.8	6.9	4.1	2.8	4.9	2.8	0.8	0.1	0.9
1955	32.6	7.9	9.3	1.2	5.1	2.6	0.2	Z/	2.7
1956	32.9	5.9	7.8	1.0	5.5	6.4	0.5	Z/	2.1
Colombia									
1952	27.9	4.4	3.1	11.2	Z/	0.4	1.5	0	1.5
1953	15.9	1.8	3.4	1.7	Z/	0.5	2.3	Z/	2.1
1954	30.9	5.6	4.2	1.5	0.1	2.5	11.2	0.3	2.3
1955	27.3	4.0	2.4	1.9	Z/	1.3	9.3	0.6	2.6
1956	29.3	6.8	3.1	6.7	0	1.0	3.3	1.8	3.0
Chile									
1952	17.5	12.8	Z/	1.6	0.2	Z/	0.2	0	0.9
1953	3.2	0.1	Z/	1.1	0.2	Z/	0.1	Z/	1.6
1954	11.8	0.2	0.3	5.5	0.1	Z/	1.3	Z/	1.1
1955	12.9	2.3	Z/	1.4	0.1	Z/	1.4	0	1.1
1956	26.5	7.7	Z/	7.2	0.2	0.2	0.4	0.1	0.9
Australia									
1952	24.0	0	Z/	3.8	18.0	Z/	1.8	0	0.2
1953	25.3	Z/	0	3.1	21.1	Z/	0.6	Z/	0.5
1954	33.8	Z/	0	10.3	22.7	0.1	0.3	0	0.4
1955	32.5	0	0	7.2	24.2	Z/	0.4	Z/	0.7
1956	26.0	0	Z/	6.8	17.9	Z/	0.7	0	0.6

Hong Kong

1952	8.6	2.5	0.1	0	0.2	2.6	2.4	0.8	Z/	Z/	Z/
1953	8.8	0.7	Z/	0.1	1.0	2.6	2.8	0.4	0.1	0.1	1.1
1954	14.4	1.1	0.2	2.0	2.0	1.9	3.3	0.4	1.4	1.4	2.1
1955	11.4	1.2	0.1	0.4	0.2	2.4	3.2	0.6	1.0	1.0	2.3
1956	24.2	0.7	0.5	8.8	0.3	2.3	3.9	1.6	3.4	3.4	2.7

Portugal

1952	11.3	6.9	Z/	2.3	0.1	1.9	Z/	Z/	0	0.1	0.1
1953	7.7	4.9	Z/	0	Z/	2.8	Z/	Z/	0	Z/	Z/
1954	5.7	2.8	Z/	0	Z/	2.8	Z/	Z/	Z/	0.1	0.1
1955	7.1	2.3	Z/	2.1	Z/	2.4	Z/	Z/	Z/	0.3	0.3
1956	23.9	10.5	0.1	5.7	0.1	3.1	Z/	0.5	3.8	0.1	0.1

Argentina

1952	19.3	18.9	Z/	0	Z/	Z/	Z/	0.4	0	Z/	Z/
1953	0.8	Z/	Z/	0	Z/	Z/	0.2	0.3	0	0.3	0.3
1954	4.7	0	0.1	0	3.4	0	0.2	1.0	0	Z/	Z/
1955	9.6	0	Z/	0	8.5	0	0.2	0.8	0	0.1	0.1
1956	23.6	Z/	Z/	0	22.7	Z/	Z/	0.4	0	0.5	0.5

Ireland

1952	27.8	1.9	11.6	0.6	0.7	10.9	1.1	0.1	0	0.9	0.9
1953	30.4	2.2	12.6	0.7	0.4	12.2	0.9	0.2	Z/	1.2	1.2
1954	19.6	0.8	3.6	1.0	1.2	10.0	1.2	0.4	0	1.4	1.4
1955	27.3	0.1	10.5	0.5	1.8	9.1	2.6	0.2	0	2.5	2.5
1956	20.6	1.9	7.3	0.5	0.7	6.3	2.4	0.1	0	1.4	1.4

Bolivia

1952	3.6	1.2	Z/	0.5	0.4	0	0.2	1.1	0	0.2	0.2
1953	3.2	1.9	Z/	0	0.5	0	Z/	0.1	0.3	0.4	0.4
1954	13.2	9.6	Z/	1.2	1.8	0	0.1	0.1	0.1	0.3	0.3
1955	14.2	8.2	Z/	1.5	2.5	0	0.1	0.4	1.3	0.2	0.2
1956	20.5	14.7	Z/	1.8	1.7	0	0.1	0.9	0	1.3	1.3

Finland

1952	12.7	2.3	0.2	5.4	0.3	2.0	2.1	0.2	0.1	0.1	0.1
1953	2.6	Z/	Z/	Z/	0.2	2.1	0.2	Z/	0.1	Z/	Z/
1954	6.5	Z/	0.1	2.0	0.8	3.5	Z/	0.1	Z/	Z/	Z/
1955	12.8	0.2	0.5	5.2	0.5	2.7	0.3	0.1	1.4	1.9	1.9
1956	18.7	6.4	1.7	4.2	0.5	3.5	1.5	Z/	Z/	0.9	0.9

U. S. Agricultural Exports
Major Countries of Destination by Major Commodity Groups
Calendar Years 1952-1956--continued

Country and year	Total	Grains and preps.	Cotton and lintners	Fats, oils, and oilseeds	Tobacco, unmd.	Fruits, nuts, and vgs.	Animal products	Private relief	Other
		Food 1/	Feed 2/	seeds 2/					
Peru									
1952	15.2	6.9	0.5	0	0.2	1.1	1.0	0	1.5
1953	9.7	2.7	0.6	0.4	0	1.0	1.2	0.2	1.5
1954	7.7	1.6	0.4	0	0.2	0.9	1.1	0.9	1.4
1955	15.1	7.0	0.5	0	0.2	1.3	1.8	0.5	1.5
1956	13.3	4.2	1.7	0	0.1	1.1	2.8	0.2	0.9
Lebanon									
1952	4.5	2.6	2/	0.6	2/	0.2	0.6	0.1	0.2
1953	5.1	2.7	2/	2/	2/	0.4	0.6	1.2	0.1
1954	8.9	2.1	2/	0	0	0.5	3.7	2.3	0.2
1955	12.4	7.0	2/	0	2/	0.2	4.0	0.4	0.2
1956	9.7	5.1	0.1	0.8	0.5	0.3	2.7	2/	2/
Other									
1952	201.8	89.2	16.3	7.7	22.0	14.9	19.3	0.7	18.0
1953	169.7	48.7	22.5	5.3	24.4	16.8	20.5	12.1	2.1
1954	170.7	48.2	8.6	6.9	23.3	18.2	21.3	11.2	2.2
1955	203.6	72.0	6.6	3.8	34.3	21.3	27.2	5.2	3.4
1956	240.4	71.8	11.4	3.7	29.5	23.2	31.3	9.2	14.5

1/ Food grains: Wheat, rye, rice, and products.

2/ Feed grains: Barley, oats, corn, sorghum grains, and products.

2/ Fats, oils, and oilseeds: Mainly lard; tallow; cottonseed, soybean, and linseed oils; soybeans; and flaxseed. Essential oils excluded.

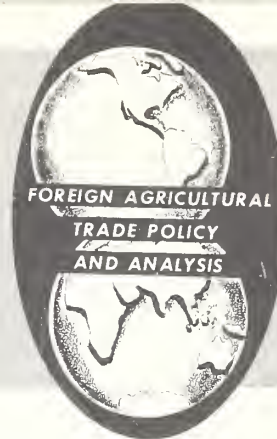
4/ Animal products: Mainly meats, hides and skins, dairy products, and eggs. Animal fats and oils with fats, oils, and oilseeds.

5/ Private relief: Mainly dairy products, cottonseed oil, grains, and beans donated by CCC to private welfare agencies for distribution to needy persons abroad.

6/ Other commodities: Mainly feeds and fodders and field and garden seeds.

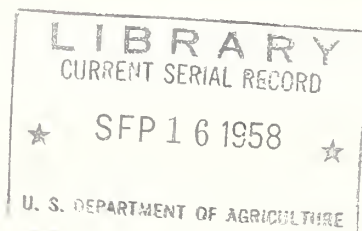
7/ Less than \$50,000.

FOREIGN AGRICULTURE CIRCULAR



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FATP 20-57
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EGYPT'S AGRICULTURAL TRADE

Egypt's trade consists principally of agricultural exports and industrial imports. In 1956, agricultural commodities represented about 84 percent of all export revenue; they accounted for 21 percent of the country's total imports. While total trade is greater than in prewar years, 1937-38, on a percentage basis the proportions of the trade picture have not changed greatly (Table 1).

Table 1. --EGYPT: Value of agricultural trade in relation to total trade, average 1937-38, annual 1952-56

	Exports				Imports				Trade deficit
				Per-				Per-	
				cent				cent	
	Agr.	agr.	Total	agr.	Agr.	agr.	Total	agr.	
	Mil. dol.	Mil. dol.	Mil. dol.	Percent	Mil. dol.	Mil. dol.	Mil. dol.	Percent	Mil. dol.
Average: 1937-38	143	35	178	80	26	163	189	14	- 11
1952.....	389	28	417	93	200	428	628	32	-211
1953.....	362	33	395	92	149	354	503	30	-108
1954.....	347	50	397	87	81	378	459	18	- 62
1955.....	352	41	393	90	92	433	525	18	-132
1956.....	340	64	404	84	113	421	534	21	-130

EXPORTS

Egypt's agricultural exports are made up largely of primary and semi-processed products, such as cotton, rice, onions, potatoes, cottonseed oil and oilcake, sugar and peanuts. By value, cotton accounted for 70 percent (\$284 million) of Egypt's total agricultural exports in 1956, compared with 78 percent (\$308 million) in 1955. While cotton exports were down some \$25 million, exports of other commodities increased by some \$13 million -- onions, rice, and potatoes showing the greatest increases (Table 2).

Although agricultural exports were down some \$12 million in 1956, exports other than agricultural were up approximately \$23 million. As a result, total exports increased over those for the previous year, and the agricultural share of the total declined from 90 percent (\$352 million) in 1955 to 84 percent (\$340 million) in 1956.

Table 2.--EGYPT: Exports of principal agricultural commodities, and total exports by quantity and value, 1955 and 1956

Commodity	Unit	Quantity		Value		Percentage of Total exports	
		1955	1956	1955	1956	1955	1956
		Thousands		1,000 U. S. dollars		Percent	
Cotton, raw	^{1/} bales	1,274	1,079	308,347	283,846	78.4	70.2
Rice	short ton	202	244	20,962	25,422	5.4	6.3
Onions	" "	194	219	7,537	13,317	1.9	3.3
Potatoes	bushels	1,272	2,083	1,570	3,720	.4	.9
Peanuts	short ton	11	8	2,859	2,124	.7	.5
Oilcake, cottonseed	" "	24	43	1,246	2,046	.3	.5
Sugar, cane-refined	" "	9	19	918	1,914	.2	.5
Bran	" "	12	38	476	1,659	.1	.4
Sesame	" "	2	8	514	1,481	.2	.4
Cottonseed oil	" "	5	5	1,317	1,360	.3	.3
Flax and hemp, raw	" "	4	3	1,254	743	.3	.2
Other agricultural				4,885	2,753	1.3	.7
Total agricultural				351,885	340,385	89.5	84.2
Non-agricultural				41,348	63,975	10.5	15.8
Grand Total				393,233	404,360	100.0	100.0

^{1/} 500 pounds gross.

Principal Commodities.

In volume, Egypt's cotton, rice, and onion exports have fluctuated sharply since prewar years. Some 1.9 million bales of cotton were exported in 1939. Only one-third of this amount was exported in 1944. By 1950 exports had returned to the prewar average of 1.8 million bales. But since 1953 cotton shipments have been downward, amounting to 1.1 million bales in 1956.

In general, rice and onion exports have followed a similar pattern. Rice exports reached an all-time high in 1948 and 1949, when they amounted to 373,000 short tons in each of these years. Little rice was exported in 1952, but by 1956 shipments had increased to 244,000 tons. Egyptian exports of onions also have increased greatly in the last few years. While no onions were exported in 1950, total shipments in 1956 were a record 219,000 short tons.

Table 3.--COTTON, ONIONS, AND RICE: Egyptian exports, 1935-56

Year	Cotton	Onions	Rice
	<u>1,000 bales 1/</u>	<u>1,000 short tons</u>	<u>1,000 short tons</u>
1935	1,776	0	77
1936	1,614	129	152
1937	1,845	148	163
1938	1,647	159	60
1939	1,886	209	123
1940	1,084	101	185
1941	955	22	69
1942	738	14	2
1943	673	3	114
1944	586	25	74
1945	932	45	150
1946	1,185	89	191
1947	1,543	126	213
1948	1,580	120	373
1949	1,647	0	373
1950	1,774	0	354
1951	1,170	94	343
1952	1,242	101	15
1953	1,599	138	2/
1954	1,327	190	52
1955	1,274	194	202
1956	1,079	219	244

1/ 500 pounds gross.

2/ Less than 500.

Countries of Destination.

In the past, India, France, and Great Britain have been Egypt's largest cotton export markets. Italy, West Germany, the United States, and Japan have been next in importance. In recent years, however, this trade pattern has changed considerably. Czechoslovakia ranked first in 1956, taking almost 20 percent of all Egyptian cotton that year, and altogether Communist countries took 42 percent, in contrast to 12 percent in 1953 (Table 4).

A large percentage of 1955 and 1956 rice exports went to Communist countries; the U.S.S.R., Czechoslovakia, and Poland. Japan, Syria, Lebanon, and the Union of South Africa were other principal rice customers.

Onion exports have an established market in Western Europe, especially in the United Kingdom and West Germany. Most of Egypt's other vegetables available for export go chiefly to Western Europe, Malaya, and Lebanon.

Table 4.--COTTON: Egyptian exports, by country of destination, with percentage of total, annual 1955 and 1956

Country of destination	1955		1956	
	Bales ^{1/}	Percent	Bales ^{1/}	Percent
United States	85,808	6.7	37,937	3.5
Western Europe:	476,274	37.4	360,518	33.4
France	133,189	10.5	114,761	10.6
Italy	82,240	6.5	79,682	7.4
West Germany	62,547	4.9	47,357	4.4
Switzerland	66,682	5.2	40,447	3.7
United Kingdom	58,598	4.6	27,712	2.6
Netherlands	27,485	2.2	20,669	1.9
Austria	28,352	2.2	19,476	1.8
Belgium	17,181	1.3	10,414	1.0
Communist countries	400,980	31.5	449,764	41.8
Czechoslovakia	101,349	8.0	204,414	19.0
China	108,962	8.6	65,142	6.0
Poland	29,012	2.3	44,369	4.1
U.S.S.R.	67,021	5.3	41,008	3.8
Rumania	27,214	2.1	33,783	3.3
East Germany	14,227	1.1	27,455	2.5
Bulgaria	1,126	.1	17,441	1.6
Hungary	52,069	4.0	16,152	1.5
Asia:	230,914	18.1	194,343	18.0
India	147,286	11.6	105,385	9.8
Japan	83,628	6.5	88,958	8.2
Others	79,985	6.3	36,055	3.3
Total	1,273,961	100.0	1,078,617	100.0

^{1/} 500 pounds gross.

IMPORTS

In 1956, Egyptian agricultural imports gained for the second consecutive year. For several years prior to 1955 the value of agricultural imports had declined. In 1956, these imports were \$21 million greater than in 1955 and made up 21 percent of Egypt's total imports compared with 18 percent for the previous year. Larger purchases of wheat and edible and inedible oils accounted for most of this increase (Table 5). In 1956, wheat and oils made up more than 25 percent of Egypt's \$113 million in agricultural imports, while in 1955 these commodities made up less than 4 percent of the \$92 million total.

Table 5.--EGYPT: Imports of principal agricultural commodities, and total imports by quantity and value, 1955 and 1956

Commodity	Unit	Quantity		Value		Percentage of total exports	
		1955	1956	1955	1956	1955	1956
		Thousands		1,000 U.S. dollars		Percent	
Wheat	bushel	-	1/8,882	-	19,146	-	3.6
Tea	short ton	19	16	28,129	18,839	5.4	3.5
Tobacco, raw . . .	" "	12	13	13,839	14,669	2.6	2.7
Oils, inedible . .	" "	38	36	3,036	7,149	.6	1.3
Fruits	" "	51	45	7,849	6,463	1.5	1.2
Corn	bushel	102	3,397	5,439	6,038	1.0	1.1
Vegetables	short ton	55	62	4,093	5,585	.8	1.1
Wool, raw	pounds	4,696	4,363	5,700	5,315	1.1	1.0
Oils, edible	short ton	6	19	1,914	4,902	.4	.9
Wheat flour	" "	95	57	7,944	4,236	1.5	.8
Coffee	pounds	8,252	10,168	3,507	3,751	.7	.7
Meat preparations	"	24,350	21,700	3,797	3,751	.7	.7
Cattle	head	7	64	499	3,002	.1	.6
Cottonseed	short ton	-	37	-	2,727	-	.5
Dairy products . .	" "	5	4	3,226	2,399	.6	.5
Other agricultural	- -	-	-	3,364	5,502	.6	1.0
Total agricultural:	--			92,337	113,474	17.6	21.2
Non-agricultural 2/				432,655	420,337	82.4	78.8
Total				524,992	533,811	100.0	100.0

1/ Does not include 10.3 million bushels of wheat imported from the United States under Public Law 480, nor approximately 2.9 million bushels from Communist countries.

2/ Not including imports of military equipment.

Principal Commodities.

Egypt's principal agricultural imports are wheat, flue-cured tobacco, and tea. These commodities accounted for about one-half of all agricultural imports in 1956. Wheat imports have varied greatly in recent years. More than 42 million

bushels of wheat were purchased in 1951; no wheat and only a small quantity of wheat flour were purchased in 1955. However, some 22 million bushels were imported in 1956--some 10.3 million bushels from the United States under Public Law 480.

Table 6.--WHEAT: Egyptian imports, 1935-36

Year	Million bushels	Year	Million bushels
1935-39 average	.3	1952	33.4
1940-44 "	.4	1953	21.5
1945-49 "	9.3	1954	2.8
1950	20.8	1955	0
1951	42.3	1956	22.1

Imports of edible and inedible oils have continued to increase -- amounting to \$12 million in 1956, in contrast to \$5 million in 1955. Cottonseed imports have also increased. Some \$3 million worth (37,000 tons) were received in 1956.

The pattern of tobacco and tea imports has been fairly stable in recent years. Tobacco imports amounted to \$15 million (13,000 tons) in 1956, compared with \$14 million (12,000 tons) in the preceding year. Tea imports reached a peak of 19,000 short tons in 1955 but returned to the postwar average of 16,000 tons in 1956.

Country of Origin.

The United States supplied the largest percentage of Egypt's total wheat imports in 1956. Other suppliers were the U.S.S.R., Syria, Rumania, and Bulgaria. Ap-

Table 7.--WHEAT AND WHEAT FLOUR: Egyptian imports by countries of origin, 1955 and 1956

Wheat			Wheat flour		
Country of origin	1955	1956	Country of origin	1955	1956
	1,000 bushel	1,000 bushel		1,000 short ton	1,000 short ton
United States	0	7,962 ^{1/}	Italy	0	34
U.S.S.R.	0	2,657	West Germany	0	17
Syria	0	603	France	0	6
Rumania	0	358	Australia	77	3/
Bulgaria	0	202	United States ^{2/}	11	3/
			Other countries	7	0
Total	0	11,781	Total	95	57

1/ Does not include 10.3 million bushels received from the United States under Public Law 480.

2/ According to the United States Bureau of the Census figures, Egyptian wheat flour imports from the United States amounted to 24,000 tons in 1955 and 13,000 tons in 1956. 3/ Less than 500 tons.

proximately 90 percent of the 57,000 short tons of wheat flour came from West Germany and Italy. In 1955, Australia supplied most of the 95,000 tons of wheat flour imported (Table 7).

The United States continued to be the largest supplier of Egypt's tobacco imports, providing 31 percent of the 25 million pounds Egypt imported in 1956. This was 1.5 million pounds more than the United States exported to Egypt in 1955. Shipments from Turkey and Greece, the second and third largest suppliers, were down from those of the previous year. Egypt took substantially larger quantities of tobacco from India, Communist China, and the U.S.S.R. in 1956 (Table 8).

Table 8.--TOBACCO: Egyptian imports by country of origin, 1955 and 1956

Country of origin	1955	1956
	1,000	1,000
	<u>Pounds</u>	<u>Pounds</u>
	<u>Percent</u>	<u>Percent</u>
United States	6,418 27	7,865 31
Turkey	5,329 23	4,309 17
Greece	3,082 13	2,878 11
India	2,215 9	2,772 11
Rhodesia	3,052 13	2,272 9
U.S.S.R.	1,069 5	1,495 6
Communist China	1,138 5	1,480 6
Other countries	1,436 5	2,134 9
Total	23,739 100	25,205 100

Egypt normally imports oilseeds from the Sudan. Edible and inedible oils are also imported from Ceylon, Malaya and various Mediterranean countries.

DIRECTION OF TRADE

In 1956, Czechoslovakia provided the largest market for Egypt's exports. Japan was second, France was third, the Sudan was fourth, and India was fifth. The United States was in eleventh place compared with third in the previous year. In 1955, India was first and France second. The value of exports was down to all regions with the exception of the Communist countries and the Arab League.

On a regional basis, Western Europe continued to be the main source of Egypt's imports, supplying imports valued at \$266 million. But when individual countries are considered, the United States has replaced the United Kingdom as the most important single supplier of Egypt's imports. Shipments to Egypt from the United States amounted to over 13 percent of total imports in 1956; the United Kingdom was second, with 12 percent; West Germany third, with 11 percent; and Italy fourth, with 6 percent.

The relative importance of the Communist countries' trade with Egypt has increased in recent years. The value of Egyptian imports from each of these countries was greater in 1956 than in the previous year (Table 9). The

Table 9.---EGYPT: Total value of imports and exports by countries of origin and destination, 1955 and 1956

Country	Imports		Exports		Balance of Trade	
	1955	1956	1955	1956	1955	1956
	1,000 : U.S. : dollars :	1,000 : U.S. : dollars :	1,000 : U.S. : dollars :	1,000 : U.S. : dollars :	Per- : cent : dollars :	Per- : cent : dollars :
Grand Total	524,993 : 100.0 : 533,811 :	100.0 : 100.0 : 393,233 :	100.0 : 100.0 : 404,364 :	100.0 : 100.0 : -131,760 :	100.0 : 100.0 : -129,447 :	100.0 : 100.0 : -129,447 :
North America:						
United States	62,706 : 11.9 : 71,678 :	11.9 : 13.5 : 25,953 :	6.6 : 6.6 : 13,386 :	3.3 : 3.3 : - 36,753 :	3.3 : 3.3 : - 58,292 :	3.3 : 3.3 : - 58,292 :
Canada	623 : 1.1 : 1,745 :	1.1 : 1.3 : 253 :	1.1 : 1.1 : 164 :	1.1 : 1.1 : - 370 :	1.1 : 1.1 : - 1,581 :	1.1 : 1.1 : - 1,581 :
Total	63,329 : 12.0 : 73,423 :	12.0 : 13.8 : 26,206 :	6.7 : 6.7 : 13,550 :	3.4 : 3.4 : - 37,123 :	3.4 : 3.4 : - 59,873 :	3.4 : 3.4 : - 59,873 :
Europe:						
United Kingdom	67,697 : 12.9 : 62,991 :	12.9 : 11.8 : 22,590 :	5.7 : 5.7 : 13,925 :	3.4 : 3.4 : - 45,107 :	3.4 : 3.4 : - 49,066 :	3.4 : 3.4 : - 49,066 :
West Germany	55,049 : 10.4 : 60,261 :	10.4 : 11.3 : 22,340 :	5.7 : 5.7 : 19,350 :	4.8 : 4.8 : - 32,709 :	4.8 : 4.8 : - 40,911 :	4.8 : 4.8 : - 40,911 :
Italy	42,734 : 8.1 : 34,164 :	8.1 : 6.4 : 21,310 :	5.4 : 5.4 : 23,465 :	5.8 : 5.8 : - 21,424 :	5.8 : 5.8 : - 10,699 :	5.8 : 5.8 : - 10,699 :
France	45,596 : 8.9 : 27,417 :	8.9 : 5.1 : 34,704 :	8.8 : 8.8 : 29,377 :	7.3 : 7.3 : - 10,892 :	7.3 : 7.3 : - 1,960 :	7.3 : 7.3 : - 1,960 :
Switzerland	20,632 : 3.8 : 15,088 :	3.8 : 2.8 : 15,860 :	4.0 : 4.0 : 11,233 :	2.8 : 2.8 : - 4,772 :	2.8 : 2.8 : - 3,855 :	2.8 : 2.8 : - 3,855 :
Netherlands	16,732 : 3.2 : 14,169 :	3.2 : 2.7 : 9,434 :	2.4 : 2.4 : 8,670 :	1.7 : 1.7 : - 7,298 :	1.7 : 1.7 : - 5,499 :	1.7 : 1.7 : - 5,499 :
Belgium	14,057 : 2.7 : 14,585 :	2.7 : 2.7 : 5,912 :	1.5 : 1.5 : 4,104 :	1.0 : 1.0 : - 8,145 :	1.0 : 1.0 : - 10,481 :	1.0 : 1.0 : - 10,481 :
Austria	7,468 : 1.4 : 7,264 :	1.4 : 1.4 : 8,237 :	2.1 : 2.1 : 6,527 :	1.6 : 1.6 : + 769 :	1.6 : 1.6 : - 737 :	1.6 : 1.6 : - 737 :
Sweden	15,842 : 3.0 : 8,877 :	3.0 : 1.7 : 1,558 :	1.4 : 1.4 : 1,297 :	1.0 : 1.0 : - 14,284 :	1.0 : 1.0 : - 7,580 :	1.0 : 1.0 : - 7,580 :
Greece	3,415 : 0.7 : 3,355 :	0.7 : 0.6 : 1,886 :	0.5 : 0.5 : 2,816 :	0.3 : 0.3 : - 1,529 :	0.3 : 0.3 : - 539 :	0.3 : 0.3 : - 539 :
Norway	5,941 : 1.1 : 5,229 :	1.1 : 1.0 : 849 :	0.2 : 0.2 : 755 :	0.2 : 0.2 : - 5,092 :	0.2 : 0.2 : - 4,474 :	0.2 : 0.2 : - 4,474 :
Other Western Europe	4,687 : 0.9 : 4,328 :	0.9 : 0.8 : 7,410 :	1.9 : 1.9 : 3,438 :	0.9 : 0.9 : + 2,723 :	0.9 : 0.9 : - 890 :	0.9 : 0.9 : - 890 :
Finland	10,464 : 2.0 : 6,653 :	2.0 : 1.2 : 2,465 :	0.6 : 0.6 : 1,762 :	0.4 : 0.4 : - 7,999 :	0.4 : 0.4 : - 4,891 :	0.4 : 0.4 : - 4,891 :
Yugoslavia	3,051 : 0.6 : 1,909 :	0.6 : 0.4 : 4,678 :	1.2 : 1.2 : 4,073 :	1.0 : 1.0 : + 1,627 :	1.0 : 1.0 : + 2,164 :	1.0 : 1.0 : + 2,164 :
Total	313,367 : 59.7 : 266,290 :	59.7 : 49.9 : 159,233 :	40.5 : 40.5 : 130,792 :	32.3 : 32.3 : -154,134 :	32.3 : 32.3 : -135,498 :	32.3 : 32.3 : -135,498 :
Latin America:						
Total	5,192 : 1.0 : 7,098 :	1.0 : 1.3 : 3,237 :	0.8 : 0.8 : 577 :	0.1 : 0.1 : - 1,955 :	0.1 : 0.1 : - 6,521 :	0.1 : 0.1 : - 6,521 :
Oceania:						
Total	2,391 : 0.5 : 2,752 :	0.5 : 0.5 : 359 :	0.1 : 0.1 : 287 :	0.1 : 0.1 : - 2,032 :	0.1 : 0.1 : - 2,465 :	0.1 : 0.1 : - 2,465 :

Communist countries:									
Czechoslovakia	2.0:	10,963	2.1:	25,267	6.4:	59,679	14.8:	+ 14,553:	+ 48,716
U.S.S.R.	1.2:	22,641	4.2:	20,142	5.1:	15,946	3.9:	+ 13,501:	- 6,695
Red China	2.0:	11,116	2.1:	24,516	6.2:	24,229	6.0:	+ 23,580:	+ 13,113
Rumania	2.0:	14,359	2.6:	11,578	2.9:	9,385	2.3:	+ 497:	- 4,974
East Germany	5:	8,426	1.6:	4,041	1.0:	9,586	2.4:	+ 1,538:	+ 1,160
Poland	3:	2,985	6:	8,257	2.1:	11,187	2.8:	+ 6,825:	+ 8,202
Hungary	4:	4,555	9:	11,910	3.0:	4,810	1.2:	+ 9,870:	+ 255
Bulgaria	1:	1,610	3:	287	1:	4,314	1.1:	- 192:	+ 2,704
Total	6.8:	76,655	14.4:	105,998	27.0:	139,136	34.4:	+ 70,172:	+ 62,481
Arab League:									
Sudan	-	13,429	2.5:	-	-	25,991	6.4:	-	+ 12,562
Saudi Arabia	2.9:	11,293	2.2:	5,717	1.5:	5,037	1.2:	- 9,328:	- 6,256
Lebanon	7:	2,336	4:	3,958	1.0:	5,780	1.4:	+ 322:	+ 3,444
Syria	5:	4,067	8:	2,672	7:	3,746	9:	+ 66:	- 321
Libya	3:	1,076	2:	2,428	6:	2,718	7:	+ 1,111:	+ 1,642
Other Arab	3:	1,231	2:	4,038	1.0:	4,988	1.2:	+ 2,546:	+ 3,757
Total	4.6:	33,432	6.3:	18,813	4.8:	48,260	11.9:	- 5,283:	+ 14,828
Asia:									
India	4.0:	20,053	3.7:	36,911	9.4:	25,632	6.3:	+ 16,034:	+ 5,579
Japan	2.6:	10,685	2.0:	23,895	6.1:	30,500	7.5:	+ 10,458:	+ 19,815
Ceylon	3.5:	8,409	1.6:	1,042	3:	1,048	3:	- 17,449:	- 7,361
Turkey	9:	3,645	7:	158	3/:	267	1:	- 4,348:	- 3,378
Malaya	2:	1,986	4:	1,360	3:	1,234	3:	+ 100:	- 752
Other Asia	2.4:	13,601	2.5:	7,089	1.8:	4,141	1.0:	- 5,562:	- 9,460
Total	13.6:	58,379	10.9:	70,455	17.9:	62,822	15.5:	- 767:	+ 4,443
Africa:									
Union of South Africa	3:	7,433	1.3:	3,841	1.0:	1,891	5:	+ 2,373:	- 5,542
British East Africa	4:	3,292	6:	152	3/:	210	1:	- 1,895:	- 3,082
Ethiopia	4:	2,420	5:	161	3/:	129	3/:	- 2,192:	- 2,291
Other Africa	7:	2,537	5:	1,667	4:	3,335	8:	- 1,923:	+ 798
Total	1.8:	15,682	2.9:	5,794	1.5:	5,565	1.4:	- 3,637:	- 10,117
Trade with ships in the Suez Canal									
	3/:	100	3/:	3,137	8:	3,375	8:	+ 2,999:	+ 3,275

1/ Preliminary. 2/ Published data do not show Egyptian imports of military equipment from Communist countries.
3/ Less than .05 of one percent.

U.S.S.R., China, Bulgaria, and East Germany more than tripled their export to Egypt, in value, and Hungary doubled theirs.

Egypt had a trade deficit of \$130 million in 1956, \$2 million less than in 1955. With the United States as well as with Western Europe - especially the United Kingdom, West Germany, and Italy - Egypt's trade balance was unfavorable, while with Eastern Europe and the Far East it was favorable.

Trade Shift.

Since 1954 a larger percentage of Egypt's trade has shifted to the Communist countries. Bilateral trade agreements have recently been made with 7 Communist countries: The U.S.S.R., Czechoslovakia, Poland, Rumania, Hungary, East Germany, and Red China. Trade with the Communist countries in 1954 accounted for 14 percent of Egypt's exports, compared with 27 percent in 1955 and 34 percent in 1956. Even though total cotton exports dropped off 195,000 bales in 1956, cotton exports to Communist countries increased by almost 50,000 bales. Imports from Communist countries (not including shipments of military equipment) rose from 7 percent of Egypt's total imports in 1955 to 14 percent in 1956.

Table 10.--EGYPT: Total value of imports and exports by regions of origin and destination, 1953-56

	Imports				Exports			
	1953	1954	1955	1956	1953	1954	1955	1956
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
United States . . .	82	51	63	72	16	19	26	13
Western Europe . .	252	263	313	266	210	197	159	131
Soviet countries :	34	25	36	77	43	54	106	139
Others	135	120	113	119	126	127	102	121
Total	503	459	525	534	395	397	393	404

AGRICULTURAL TRADE WITH THE UNITED STATES

Exports.

In value, Egyptian agricultural exports to the United States in 1956 were slightly more than one-half those for 1955--dropping from \$23 million in 1955 to \$12 million in 1956. Cotton largely accounted for this reduction, declining some \$10 million.

Traditionally, cotton is over 90 percent of U. S. imports from Egypt. Egypt also exports small amounts of vegetables and animal products to the United States (Table 11).

Table 11.-- U. S. agricultural imports from Egypt, by value, 1953-56

Commodity	: 1953	: 1954	: 1955	: 1956
	: 1,000	1,000	1,000	1,000
	: <u>dollars</u>	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>
Cotton	: 22,611	16,381	21,445	10,998
Bones, hoofs, and horns	: 164	130	172	93
Vegetables	: 293	286	117	120
Wool	: 337	454	232	37
Beeswax (crude)	: 184	203	210	157
Other agricultural	: 264	275	496	644
Total agricultural	: 23,853	17,729	22,672	12,049

Imports.

Egypt's agricultural imports from the United States were valued at \$31 million in 1953, declined in 1954 to \$12 million, recovered in 1955, and reached a record peak of \$49 million in 1956. Approximately 62 percent of 1955 imports were received from the United States under special export programs.

Wheat and wheat flour, tobacco, tallow, and dairy products are consistently the most important items of agricultural origin imported from the United States (Table 12). However, the value of U. S. wheat and wheat flour imported by Egypt has varied greatly in recent years. Some \$33 million worth was received in 1956, in contrast to only \$2 million the previous year. Tobacco shipments from the United States to Egypt reached a 6 year high of \$6 million in 1955 but declined to \$4 million in 1956. U. S. tallow exports to Egypt in 1956 were much increased over earlier years, while shipments of dairy products were lower.

Table 12.--U. S. agricultural exports to Egypt, by value 1953-56

Commodity	: 1953	: 1954	: 1955	: 1956
	: 1,000	1,000	1,000	1,000
	: <u>dollars</u>	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>
Wheat and wheat flour	: 23,446	2,292	1,745	32,876
Tobacco	: 3,650	3,632	6,258	4,346
Tallow, inedible	: 2,948	3,605	2,992	4,002
Dairy products	: 99	1,159	1,528	978
Food for relief or charity	: 208	490	20,800	5,945
Other agricultural	: 981	544	519	380
Total agricultural	: 31,332	11,722	33,842	48,527

Trade Balance with the United States.

Despite a reduction in its total trade deficit in 1956, Egypt's unfavorable balance of trade with the United States increased substantially over 1955. This trade deficit with the United States amounted to \$82 million in 1956 -- a ratio of 6 to 1, compared with 3 to 1 for the previous year. The principal reason for this increased deficit was a decline of \$11 million in agricultural exports to the United States while total imports from the United States increased by \$18 million.

Table 13.--Value of total trade between the United States and Egypt, and trade balance, average 1950-54 and annual 1955 and 1956 ^{1/}

	: 1950-54	: 1955	: 1956
	: Average	:	:
	1,000	1,000	1,000
	<u>U.S. dollars</u>	<u>U.S. dollars</u>	<u>U.S. dollars</u>
U.S. exports to Egypt			
Agricultural	22,223	33,842	48,527
Non-agricultural	<u>35,038</u>	<u>44,635</u>	<u>48,041</u>
Total	57,261	78,477	96,568
U.S. imports from Egypt			
Agricultural	24,800	22,672	12,049
Non-agricultural	<u>2,295</u>	<u>2,915</u>	<u>2,751</u>
Total	<u>27,095</u>	<u>25,587</u>	<u>14,800</u>
Balance of trade ^{2/}	+30,166	+52,890	+81,768

^{1/} Discrepancies between figures in this table and those in Table 9 (page 8) are due to the fact that data for Table 9 were published by the Egyptian Government and data for this table by the Bureau of the Census, United States Department of Commerce. ^{2/} +, indicates amount U. S. exports exceeded U.S. imports.

U. S. Share of Egypt's Agricultural Imports.

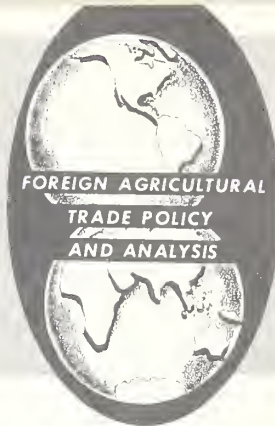
By value, the United States supplied 43 percent of Egypt's agricultural imports in 1956, compared with 37 percent for the previous year.

The percentage of grains and grain products shipped from the United States in 1956 cannot be arbitrarily stated, as U.S. figures for these shipments exceed the total reported by the Egyptian Government for grain and grain products imported from all countries. Over 10 million bushels of U.S. grains were shipped to Egypt in 1956 under special programs. Figures published by the Egyptian Government on grain imports from the United States do not include these shipments.

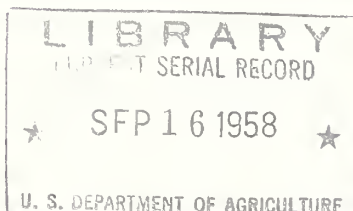
Percentagewise, the United States supplied a smaller portion (Tables 5 and 12) of Egypt's total imports of tobacco and inedible oils in 1956 than in 1955. Slightly less than one-half of Egypt's small dairy product imports were from the United States in 1955 and 1956.

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



FATP 21-57
July 31, 1957



CHANGES IN GOLD AND DOLLAR ASSETS OF OUR FOREIGN BUYERS

DURING JANUARY-MARCH 1957

Total (public and private) gold and dollar assets of foreign countries declined \$138 million during the first quarter (January-March) of 1957. This is the first quarterly decline since 1952, when the Korean war caused scare-buying. This year's decline occurred because continental European and Asian declines exceeded Canadian Sterling Area and Latin American increases. By comparison, gold and dollar assets of foreign countries increased \$694 million during the same quarter of 1956.

In large measure this change in the financial position was brought about by the following:

- (1) The closure of the Suez Canal caused many countries, mainly European, to increase imports of dollar oil and coal and other merchandise. In addition, landed costs of all imports increased as a result of higher ocean freight rates.
- (2) Owing to the unabated economic boom, the demand for raw and semi-finished materials continued at high levels. Some of this demand appears to have been for stockpiling. Also, many underdeveloped countries which are undertaking large development programs are laboring under extreme trade deficits that are not adequately covered by inflows of foreign capital.
- (3) Persistent inflationary pressures encountered by many countries in various parts of the world are causing adverse trade balances.

Increase or decrease of gold and dollar assets of the 14 largest foreign holders for indicated period

	March 31, 1957	Increase since Dec. 31, 1956
Million U.S. Dollars		
Germany, Federal Republic of	3,533	192
United Kingdom	3,100	90
Canada	3,043	47
Brazil	557	6
Cuba	520	6
Portugal	628	0
		Decrease since Dec. 31, 1956
France	1,311	230
Japan	1,040	131
Switzerland	2,548	98
Italy	1,218	72
Belgium-Luxembourg	1,180	56
Netherlands	1,034	46
Mexico ^{1/}	580	24
Venezuela	1,045	16

^{1/} Jan. 31, 1957 figure

Continental Western Europe

With the exception of West Germany, most of the industrialized countries experienced a decline in their gold and dollar assets during the first quarter of 1957. West Germany's large trade surplus of 1956, despite certain measures taken to increase imports, continued into the first quarter of 1957. Its gold and dollar assets increased by \$192 million in this period.

On the other extreme, France's large trade deficit mainly due to excessive domestic demand and a financial burden imposed by events in Algeria caused the country's gold and dollar assets to decline \$230 million during this period. Imports in the last part of this quarter were excessive, due to speculation resulting from an assumption that import restrictions were going to be increased. France is now taking steps to curtail this excessive influx of imported goods. The most notable measure is a requirement that importers deposit with commercial banks 50 percent of the value of goods licensed to be imported and that the commercial banks transfer immediately to the Bank of France half of the new deposits. France has exhausted the drawing rights (50 percent of the French International Monetary Fund quota) granted by the IMF. However, the European Payments Union has granted France a further \$200 million credit applicable to any deficit incurred from June 1957 on.

Estimated Gold and Dollar Holdings of Foreign Countries

Area and Country	1952 Dec. 31	1953 Dec. 31	1954 Dec. 31	1955 Dec. 31	1956 Dec. 31	1957 ^{1/} Mar. 31
<u>Continental Western Europe</u> (Millions of United States Dollars)						
Austria	149	246	341	332	367	377
Belgium-Luxembourg (& Belgian Congo)	1,041	1,107	1,054	1,211	1,236	1,180
Denmark	105	133	109	98	102	113
Finland	55	65	75	89	93	99
France (& dependencies) ^{2/}	1,175	1,207	1,489	2,137	1,541	1,311
Germany (Federal Republic of)	691	1,225	1,999	2,382	3,341	3,533
Greece	57	112	124	187	187	188
Italy	665	821	935	1,139	1,290	1,218 ^{6/}
Netherlands (& Netherlands West Indies & Surinam)	824	1,062	1,123	1,144	1,080	1,034
Norway	170	176	154	177	202	216
Portugal (& dependencies)	374	469	560	601	628	628
Spain (& dependencies)	134	153	191	224	163	151
Sweden	276	336	407	429	483	480
Switzerland	2,099	2,174	2,223	2,398	2,646	2,548
Turkey	151	157	152	153	164	158
Other ^{3/}	717	891	951	882	923	903
<u>Total</u>	8,683	10,334	11,867	13,583	14,446	14,137
<u>Sterling Area</u>						
United Kingdom	2,514	3,241	3,406	2,882	3,010	3,100
United Kingdom dependencies	118	112	107	92	107	97
Australia			186	219	192	200
India	313	347	335	321	324	328
Union of South Africa	195	215	233	266	278	295
Other	350	376	181	217	234	244
<u>Total</u>	3,490	4,291	4,448	3,997	4,445	4,264
<u>Canada</u>	2,627	2,519	2,709	2,610	2,996	3,043
<u>Latin America</u>						
Argentina	428	503	531	509	350	332
Bolivia	45	40	32	26	29	25
Brazil	392	425	444	468	551	557
Chile	121	122	113	139	138	138
Colombia	194	236	308	217	211	269
Cuba	543	570	547	558	514	520
Dominican Republic	58	51	72	77	79	89
Guatemala	63	65	62	72	91	101
Mexico	380	345	395	560	604	580 ^{6/}
Panama	89	91	75	87	109	118
Peru	107	104	118	127	123	117
El Salvador	55	56	59	52	53	73
Uruguay	302	338	318	282	260	262
Venezuela	521	597	600	671	1,061	1,045
Other	134	135	145	139	126	145
<u>Total</u>	3,432	3,678	3,819	3,984	4,309	4,371
<u>Asia</u>						
Indonesia	296	184	181	270	231	188
Iran	157	181	169	175	158	178
Japan	931	953	854	1,033	1,171	1,040
Philippines	332	312	272	274	300	273
Thailand	294	281	236	251	256	280
Other	366	408	528	651	706	737
<u>Total</u>	2,376	2,319	2,240	2,654	2,822	2,696
<u>Eastern Europe</u> ^{4/}	313	312	315	315	295	296
<u>All Other</u>						
Egypt	234	217	221	246	238	248
Other	52	69	68	80	82	140
<u>Total</u>	286	286	289	326	320	388
<u>Total Foreign Countries</u> ^{4/}	21,207	23,739	25,707	27,469	29,333	29,195
<u>International Institutions</u> ^{5/}	3,547	3,616	3,863	4,010	3,535	3,392

^{1/} Preliminary

^{2/} Excludes gold holdings of French Exchange Stabilization Fund

^{3/} Includes Yugoslavia, Bank for International Settlements (both for its own and European Payments Union account), gold to be distributed by the Tripartite Commission for restitution of Monetary Gold, and unpublished gold reserves of certain Western European countries

^{4/} Excludes gold reserves of the U. S. S. R.

^{5/} Includes International Bank for Reconstruction and Development, International Monetary Fund, and United Nations organizations

^{6/} Jan. 31, 1957 data

Continental Western Europe (con't)

The gold and dollar declines of Switzerland, Italy, Belgium-Luxembourg, and Netherlands were due in part to the closing of the Suez and increased demands for imported goods and materials.

Sterling Area

The gold and dollar assets of the United Kingdom increased \$90 million during the first quarter of 1957. This increase was partly because of India's drawing on the IMF (of which \$59 million accrued to the central gold and dollar pool) and to an improvement of the United Kingdom's balance of trade and payments.

Australia's gold and dollar position improved as a result of increased wool receipts. Following this improvement Australia relaxed some of the import controls which it had re-established to prevent deterioration of its foreign exchange reserves.

Elsewhere in the Sterling Area the large demands of economic development and, in some instances, inflationary pressures caused gold and dollar assets to remain static or even to decline.

Western Hemisphere

Canada continued to increase its gold and U. S. dollar assets, owing to the large inflow of foreign investment capital which more than offset Canada's widening trade deficit.

In many Latin American countries inflationary pressures are causing trade imbalances. Argentina's gold and dollar assets declined in the first quarter of 1957, as did Peru's; and (for the first time in the postwar period) Venezuela's declined slightly. Owing to a sharp curtailment of imports Colombia increased its gold and dollar assets by \$58 million during the first quarter of 1957. The country's foreign exchange liabilities, however, are large in comparison with its gold and dollar assets.

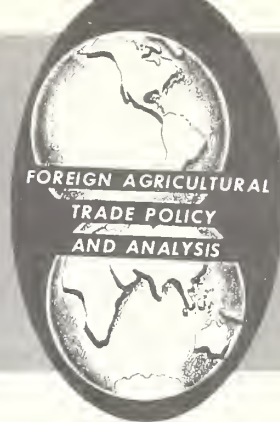
Other Areas

In industrialized Japan, the increased imports of goods and raw materials (especially from the dollar area) caused gold and dollar assets to decline \$131 million in the first quarter of 1957. Japan is taking measures to curb the drain on its reserves, and in June IMF approved a \$125 million drawing. Also in June, Japan was granted \$115 million in short-term credits from the Export-Import Bank. These credits will be used by Japan to buy cotton, wheat, barley, and soybeans.

Indonesia and the Philippine Republic both lost gold and dollar assets during this quarter.

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



FATP 22-57
September 13, 1957

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GATT CONSULTATIONS ON DOLLAR TRADE

LIBERALIZATION TO AID U.S.

Assurances obtained at a GATT meeting in Geneva this summer regarding dollar trade liberalization (i.e., the freeing of imports of dollar goods from quantitative restrictions) will be helpful to United States agricultural producers and exporters.

Continuing strong United States efforts will be needed, however, if this country is to gain for its exports that additional trade liberalization which it can claim on the grounds of reciprocity, and which, in principle, other countries have recognized as the United States' right under GATT.

The dollar trade liberalization assurances referred to were obtained in multilateral consultations held in June between the Contracting Parties to the General Agreement on Tariffs and Trade (GATT), and 8 of the European countries which, for balance-of-payments reasons, are still controlling imports from the United States and other countries by means of quantitative restrictions.

Prepared in International Monetary Branch

The 8 European member countries which participated in the June discussion were: Austria, Denmark, West Germany, Greece, Italy, the Netherlands, Norway, and Sweden. Fall consultations will be with Brazil, France ^{1/}, Finland, Japan, Turkey and the following members of the Sterling area: Australia, Ceylon, Federation of Rhodesia and Nyasaland, India, Pakistan, New Zealand, Union of South Africa, and the United Kingdom. The consultations with these countries were the first of a 3-group series of consultations agreed upon at the Eleventh Session of GATT, in October 1956.

The object of these meetings is to examine the need for the maintenance of certain import restrictions, imposed for balance-of-payments reasons, and to explore the possibilities of (1) reducing the impact of these restrictions upon the trade of other countries and (2) progressively eliminating the restrictions.

Importance to U.S. Agricultural Trade of the
8 Consulting Western European Countries

The 8 European countries with which consultations on dollar trade liberalization were held in June accounted together for \$1.0 billion of U.S. agricultural exports in 1956, or one-quarter of total U.S. agricultural exports during that year. U.S. agricultural exports to each of these countries were much larger than U.S. agricultural imports from the countries.

EXPORTS: 8 European countries, 1952 to 1956

Country	1952	1953	1954	1955	1956
- - - - - <u>Million dollars</u> - - - - -					
Greece	28.4	26.7	22.6	47.8	62.5
Netherlands	159.3	133.9	246.4	242.7	272.7
West Germany	279.3	218.8	266.8	241.9	365.6
Sweden	38.8	19.0	30.1	28.3	41.5
Austria	51.1	44.4	17.7	25.8	38.1
Italy	191.6	103.6	91.5	93.8	160.3
Denmark	20.1	19.9	19.5	37.4	44.2
Norway	30.3	24.4	25.8	32.6	32.9
Total	798.9	590.7	720.4	750.3	1,017.8
Total (8 countries) percentage of all agricultural exports	23	20	24	24	24

^{1/} Consultations with France were originally scheduled for June, but have been postponed until fall because of France's acute economic and financial difficulties.

IMPORTS: 8 European countries, 1952 to 1956

Country	1952	1953	1954	1955	1956
- - - - - Million dollars - - - - -					
Greece	15.1	15.0	15.2	17.1	17.9
Netherlands	51.6	66.4	73.7	67.1	62.1
West Germany	17.9	25.6	27.2	24.0	24.9
Sweden	6.7	1.4	1.3	1.3	1.0
Austria	.2	.3	.3	.3	.4
Italy	45.5	42.1	45.4	46.8	49.4
Denmark	17.1	23.4	29.2	29.3	23.4
Norway	.8	.7	.6	.6	.7
Total	154.9	174.9	192.9	186.5	179.8

Total percentage of all agricultural imports	34	42	49	47	46
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Present Status of Dollar Trade Liberalization

The June consultations with the 8 Western European countries included a thorough review of the present status of dollar trade liberalization. Greece and the Netherlands could report that they had liberalized most of their dollar imports. West Germany had been taking additional liberalization measures while the consultation meetings were being arranged.

Two countries, Sweden and Italy, announced new liberalization measures at the meeting. Austria stated that a new trade liberalization measure was under active consideration, and Norway that it is consulting on further liberalization measures with trade and industrial circles. The Danish representative stated that despite the sharp drop in his country's reserves, Denmark would not tighten its import controls.

Agriculture's share in trade liberalization: Several countries reported in June that they had already extensively liberalized private imports of U.S. agricultural products and, in some cases, were planning further liberalization. On the basis of the June reports, the situation may thus be summarized:

Greece has liberalized all private imports of agricultural products.

The Netherlands has liberalized more than four-fifths of its agricultural imports, as well as of its total imports, from the dollar area. Among the U.S. agricultural products liberalized by the Netherlands are: frozen meat,

frozen dressed poultry, coarse grain, and certain other feedstuffs, rice, cocoa, oilseeds, certain oils and fats, preserved fruits, tobacco, cotton, and certain hides and skins (not including cattle hides). In addition, the Netherlands reported at the June consultations that it was issuing import licenses liberally for citrus fruit, fruit juices, oilcakes, and cattle hides.

The principal U.S. agricultural products liberalized by Norway are cotton, tobacco, soybean, linseed and other oilseeds, tallow, casein, hops, grapefruit, lemons, dried fruits, tomato paste in large containers, certain beans, peas, and lentils.

Denmark has liberalized a substantially larger sector of its agricultural imports than of its other imports from the dollar area. Among the liberalized products are rough rice, dried fruits, beans, peas, lentils, tobacco, oilseeds, feedstuffs, oilseed cake and meal, hides and skins, and cotton.

Sweden shifted in 1956 to a new price-support system for its more important agricultural products. Under this system--to be tried out over a 3-year period--Sweden would rely primarily on import fees to maintain domestic agricultural prices within certain limits. At the GATT consultation meeting, Sweden followed up this change in its agricultural program by announcing that, as of July 1, 1957, the following U.S. agricultural products will be exempt from licensing requirements:

Wheat, rye and other grains; flour; sugar; copra; certain live animals; salted horse meat; edible parts of sheep, horse, cattle and swine; butter dyes and cheese dyes containing oil; certain sauces; soybeans, oilcakes, feedstuffs; peanuts and certain other edible oilseeds; beans and peas; olive and cottonseed oil; margarine and other butter substitutes.

Should import prices of some of these commodities fall below the minimums set in the new price-support program for competing Swedish farm products, import restrictions for such commodities might be reimposed. Previously, Sweden had liberalized dollar imports of cotton, dried fruits, rice, linseed oil, some fruit and berry juices, and fresh vegetables (seasonally). To protect Swedish producers, apple and pear imports remain limited by seasonal restrictions during part of the year. Some U.S. products such as tobacco, citrus, and certain other fruits and berries are admitted without quantitative limitations, but only if payment for them is made in non-dollar currencies or in so-called "transit" dollars (i.e., dollars bought through commercial banks at a premium).

West Germany's dollar trade liberalization in the food and agriculture sector has lagged considerably behind that in other sectors. This lag became even more significant when, just before the beginning of the multilateral consultations, West Germany added many important industrial products, but only a few minor agricultural products, to its dollar liberalization list. Up to now, West Germany has liberalized cotton and linters, tobacco, certain hides, oilseeds, tallow and vegetable oils for industrial purposes, poultry fat, dried figs, and certain other dried fruits (except raisins).

Austria has liberalized cotton, soybean oil, cottonseed oil, linseed oil, oilcakes, rice, hops, lemons and oranges, citrus-fruit juices in bulk, canned

grapefruit and peaches, various dried fruits, and hides. During the consultations, it announced that a new liberalization measure, which would include additional food and agricultural items, was under active consideration.

Italy has thus far liberalized only a few relatively minor U.S. agricultural products, i.e., inedible tallow, oilcakes and meal, cotton linters, resins, hides and skins, bonefats, and kitchen and slaughterhouse residues. At the June meeting, Italy announced the liberalization of dollar cotton--by value, the most important U.S. agricultural product imported by Italy.

Monopoly control of agricultural imports

The trade liberalization measures discussed in the above section apply only to the private sector of the import trade of the various countries. A substantial part of Europe's agricultural imports, however, is effected through government agencies or corporations which by law have been granted monopolies in the importation of certain commodities or commodity groups. Examples are the import and supply agencies legally established by West Germany for (1) grains, (2) butter, lard, vegetable oils, and margarine, (3) animals and meats, and (4) sugar. Article XVII of GATT requires that institutions of this kind buy in accordance with commercial considerations so as to afford the exporters of other GATT countries "adequate opportunity to compete" for participation in the sales to these institutions.

The question of providing such an opportunity, or, in other words, of assuring non-discrimination, was discussed in June with the countries that have established monopoly import controls for certain products. The assurances obtained during these discussions may prove useful if questions of equitable treatment for U.S. products should arise in future purchases of such monopolies.

Administration of Import and Exchange Controls

The administration of the import and exchange controls of the 8 European countries was also extensively discussed in June. Assurances were obtained in some cases, Austria for one, that dollar exchange licenses would be made available for all imports of liberalized U.S. commodities and in cases where importers had obtained permission to import commodities from the dollar area.

The U.S. delegation also raised a number of questions regarding specific features of the import controls of the various countries, e. g., the requirement of some countries that importers obtain individual licenses for imports of liberalized dollar products. The United States pointed out that even though import licenses for these products were granted freely the requirement of obtaining an individual license for each import transaction constituted an unnecessary obstacle to trade. The United States asked that this requirement be removed. Assurances were obtained that the respective foreign governments would give sympathetic consideration to the U. S. request.

Problems and Prospects Regarding Future Dollar Trade Liberalization

The United States delegation to the multilateral GATT consultations concentrated, of course, on the point that, except as necessary for balance-of-payments reasons, the import restrictions and the discrimination against dollar products both in private trade and in state trading activities of GATT countries should be speedily removed. It also stressed the importance of dollar trade liberalization as the best means of establishing genuine reciprocity in international trade relations.

During these consultations all the countries reaffirmed their obligation to terminate the import controls that have been imposed under GATT's balance-of-payments exceptions as soon as their financial situation has sufficiently improved; and some countries gave certain assurances regarding additional liberalization measures in the near future. However, a number of countries stated also that the import controls originally instituted on balance-of-payments grounds had provided a barrier behind which certain of their producers had found protective shelter; and that, for this reason, it would be difficult to free all imports from quantitative controls within a short period. Several countries stressed, in particular, the importance of quantitative import controls and monopolistic trading arrangements in conjunction with their agricultural programs.

The Contracting Parties of GATT recognized these problems some time ago. In 1955, Belgium stated that its quantitative import restrictions were no longer needed for balance-of-payments reasons, but that it considered it necessary to maintain import restrictions on a certain number of specified products for a limited period of time so as to be able to adjust its domestic agricultural programs gradually to its obligations under GATT. The Contracting Parties allowed Belgium to continue quantitative import restrictions on a limited number of specified products for a period not to exceed 7 years. This action is usually referred to as the "hard core" waiver for Belgium. A condition of this waiver of special importance to the United States is that the "hard core" import restrictions must be administered in a non-discriminatory manner, i.e., dollar products must be admitted on the same terms as the products of any other country or currency area.

It is likely that some other countries will also request temporary "hard core" waivers similar to that granted to Belgium. It would, of course, be most desirable to avoid further delay in dollar trade liberalization. Yet, in some circumstances, the granting of such waivers may constitute the most realistic way of resolving the conflict between existing agricultural programs and international obligations.

The assurances obtained during the consultation meeting regarding the future treatment of dollar imports may be summarized as follows:

The Danish representative expressed his belief in reciprocity and noted that, in his opinion, Denmark had no "hard core" problem, and that Danish trade liberalization would proceed from its present high levels as improvements in its balance of payments (which at present is a rather tight one), and especially

increased export earnings made this possible.

The Netherlands representative noted that the elimination of all remaining balance-of-payments import controls, despite the limited scope of these controls, might at this time create problems, since the Netherlands' exchange reserves had recently declined substantially. He added, however, that full liberalization of the import trade remained the stated objective of the Netherlands Government, and that, in the long run, his government would undoubtedly be prepared to eliminate all import restrictions that did not conform to GATT.

The Norwegian representative, while noting that the removal of the remaining restrictions depended on the future balance-of-payments situation, said that his Government hoped to take further steps in this direction; and that, to this end, the Norwegian Ministry of Commerce had recently submitted lists of commodities to trade and industrial circles with the notice that these goods might be liberalized at any time.

In the consultations with West Germany, it was brought out that, in view of the strong foreign exchange position of that country, the maintenance of restrictions for balance-of-payments reasons under Article XII of GATT was no longer justified. The Government of the Federal Republic recognized this and expressed its firm intention to consider appropriate measures. Its representative stated that further liberalization steps would be taken in the near future; in particular, the differences between the 3 free lists applicable to different currency areas would be progressively eliminated.





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August 6, 1956

U. S. AGRICULTURAL EXPORTS IN FISCAL YEAR 1955-56 1/

GENERAL HIGHLIGHTS

Exports were 10 percent ahead of 1954-55 in value, 13 percent ahead in quantity. U. S. agricultural exports in fiscal year 1955-56 are estimated at \$3,475 million, 10 percent ahead of the \$3,145 million in 1954-55. Increase in quantity (exports measured at constant prices) amounted to 13 percent. Exclusive of cotton, exports were ahead by 26 percent in value, 30 percent in quantity.

Exclusive of cotton, exports were at a 30-year high. If cotton is excluded from last year's export total, the remaining quantity was at the highest level of the last 30 years of record. Quantity without cotton was 22 percent ahead of both the 1951-52 Korean War year and the 1948-49 heavy foreign aid year.

Quantity with cotton last year was exceeded only twice in the past 30 years. As the result of the recent export advances, export quantity including cotton in 1955-56 was the third largest since 1925. Quantity totaled 97 percent as much as in 1951-52 and 96 percent as much as in the 1926-27 boom year.

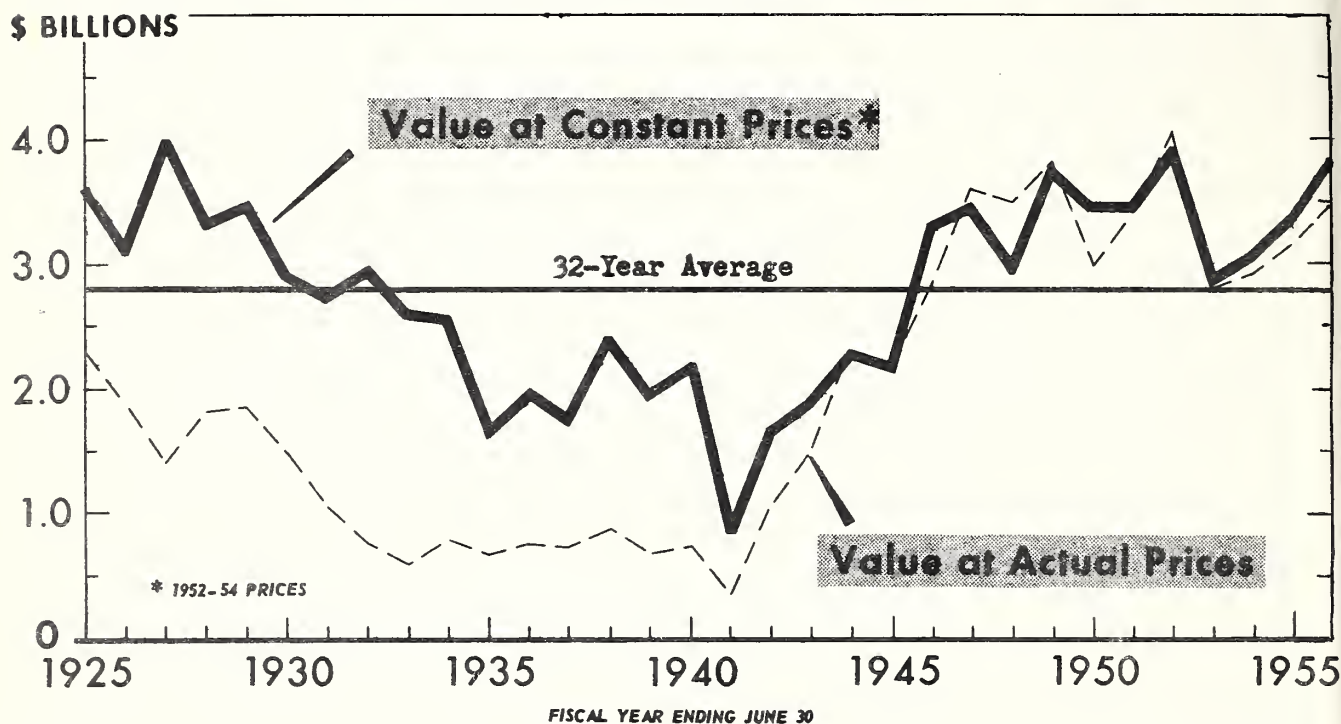
Exports continued their uphill trend of the previous 2 years. In each year since 1952-53, agricultural exports have made steady upward progress. Last year's exports were 23 percent greater in value and 34 percent greater in quantity than in 1952-53, the post-Korean low mark.

Farm price rise paralleled export increase. The strong export demand for most U. S. farm products has contributed to a rise in prices received by farmers. In mid-June 1956, index of prices received by farmers averaged 11 percent above the December low and 2½ percent above mid-June 1955. Prices for feed grains, fruits, and oil bearing crops are among those that have been strengthened most by export demand.

Favorable foreign market factors stimulated exports. Foreign demand for U. S. products has been strong, reflecting high levels of economic activity, rising populations, more liberal import policies, substantially increased dollar receipts from greater U. S. imports, U.-S. Government expenditures abroad, and supply shortages in foreign competitive producing and importing areas.

1/ Prepared in the Trade Statistics Branch.

VALUE OF U. S. AGRICULTURAL EXPORTS



USDA

FAS-NEG. 746

June 1956 estimated.

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High level of foreign economic activity strengthened foreign demand. The industrial nations of the world last year witnessed a continuation of their recent high rate of economic expansion. Western Europe--which takes about half of U. S. farm exports--continued the sharply rising trend in production for the third year. Industrial output reached a record high level and, despite the appearance of slackening in some countries toward the end of the year, the rate of expansion for Western Europe as a whole was higher than in the 2 preceding years. There was some increase in inflationary pressures, but it is notable that the more recent economic control measures to check these pressures were mainly confined to credit policies and did not, in general, include increases in trade barriers.

Import liberalization facilitated exports. During the past 18 months, a number of countries, particularly those participating in the General Agreement on Tariffs and Trade (commonly referred to as GATT), have liberalized somewhat their import policies toward U. S. farm products. This has been a contributing factor toward the expansion of exports of U. S. farm products. More than half of the GATT countries have moved in this direction since January 1, 1955. Similar action has been taken by a few non-GATT countries. In addition to pressing for liberalization of quantitative restrictions, the United States has obtained reductions of foreign duties on many of its farm products.

Foreign buyers were financially stronger. Past year's growth in world trade and commerce enabled foreign countries as a whole not only to increase dollar imports but also to add materially to their dollar reserves. Foreign countries' holdings of gold, short-term dollar assets, and U. S. Government bonds and notes amounted to \$27.4 billion at the end of 1955. This is an increase of \$11.6 billion since 1949 and \$1.7 billion since 1954. The improvement in 1955 was largely due to record dollar receipts from sales of goods and services. U. S. Government expenditures abroad were only slightly above those of the previous year.

U. S. Agricultural Exports by Major Commodity Groups

<u>Commodity group</u>	<u>Fiscal year</u> <u>1954-55</u>	<u>Fiscal year</u> <u>1955-56 1/</u>	<u>Percentage</u> <u>change</u>
	<u>- Million dollars -</u>		
Cotton, excluding linters	684	375	-45
Grains and feeds	882	1,170	+33
Tobacco, unmanufactured	306	380	+24
Vegetable oils and oilseeds	302	400	+32
Fruits and vegetables	274	325	+19
Livestock products	461	545	+18
Private relief 2/	142	175	+23
Other	94	105	+11
Total, including cotton	3,145	3,475	+10
Total, excluding cotton	2,461	3,100	+26

1/ 1955-56 partly estimated.

2/ Mostly CCC donations to U. S. private welfare agencies for overseas distribution.

The increase in exchange reserves in 1955 was, however, distributed rather unevenly among the regions and countries of the world. Continental Western European countries recorded a very substantial gain of \$1.6 billion; the Sterling Area, a decrease of \$462 million. Latin American countries increased holdings by \$165 million, the net result of substantial gains by some countries, particularly Mexico and Venezuela, and losses by others such as Argentina, Colombia, and Uruguay. The Asian countries' financial position improved moderately, due mainly to a \$179 million increase for Japan.

Foreign shortages were important in U. S. export gain. Shortages developed in foreign supplies of some important agricultural commodities due to unfavorable weather. Last winter's freeze in Europe damaged grain and fruit crops in some countries and caused a number of countries to take more wheat and fruit from the United States. Pakistan took more wheat and rice due to local drought damage to crops. A very short sunflower-seed crop in Argentina and decreased production of olive oil in the Mediterranean Basin raised import demand for U. S. fats and oils.

Government Programs

Government programs aided exports. Government programs are designed to assure that neither lack of financing nor high prices shall be a deterrent to exports. Last year they included sales to exporters at competitive prices, arrangements with foreign countries whereby they pay for purchases either with their currencies or their strategic goods, emergency relief grants, foreign welfare donations, and Export-Import Bank loans. Due to differences in compilation and valuation, a complete correlation of exports under Government programs and total exports is not yet possible.

Title I shipments accounted for 12 percent of U. S. agricultural exports. Export market value of shipments against foreign currencies under Title I of Public Law 480 approximated \$425 million in 1955-56 compared with \$72 million in 1954-55. Shipments under this program did not begin until January 1955. More than 80 percent of the tonnage exported under this program was shipped during 1955-56. In that year, Title I wheat exports comprised about 28 percent of all the wheat exported; cotton, 23 percent; cottonseed and soybean oils, 50 percent; and tobacco, 13 percent. A total of 59 agreements, or supplements to agreements, with a total CCC cost value of nearly \$1.5 billion have been entered into with 27 countries since inception of the program. Title I is administered by USDA.

ICA Section 402 shipments were larger. The International Cooperation Administration also has sold U. S. agricultural products for foreign currency. Authority is contained in Section 402 of Public Law 665. Dollar amounts paid out for such shipments are estimated at \$300 million in 1955-56 compared with \$186 million in 1954-55 when dollar aid was still in the pipeline. At this rate, these payments are equivalent to 9 percent of U. S. agricultural exports in 1955-56.

Barter accounted for 8 percent of exports. As a supporting program, barter is designed to place private U. S. business firms in a competitive position

of purchasing materials from other countries conditional upon the exportation of agricultural commodities in payment. Barter shipments totaled 8 percent of farm exports in 1955-56. Preliminary information indicates that shipments at export market value totaled \$264 million in 1955-56 compared with \$125 million in 1954-55. Barter wheat exports accounted for 16 percent of all the wheat exported last year; corn, 44 percent; barley, 37 percent; and oats, 44 percent. If all the wheat sold for export under barter moved out last year, barter would account for 24 percent of all wheat exports. Thirty-five different countries have received agricultural commodities under barter in the past 2 years. Principal receivers of barter commodities have been the Netherlands, Japan, West Germany, Turkey, United Kingdom, and Belgium.

Government-to-Government programs helped the needy overseas. Title II of Public Law 480 has enabled the United States to use some of its surplus farm products to alleviate suffering abroad following in the wake of flood, earthquake, hurricane, drought, crop shortages, and other natural disasters. Shipments reported through June 30 totaled \$90 million in 1955-56 compared with \$83 million in 1954-55 (CCC cost). Notable shipments were food and feedstuffs to Italy; grain, fats, and milk products to Turkey; and wheat and rice to Pakistan. As a general rule, foreign governments must agree to distribute the commodities to needy people. Packages or containers of food are labeled as gifts of the United States.

Private relief agencies used CCC donations to help the foreign needy. Section 302 of Public Law 480 authorizes donations of surplus foods in CCC stocks to U. S. nonprofit voluntary relief agencies and to intergovernmental organizations, such as the United Nations International Children's Emergency Fund and the American Red Cross, to assist needy persons outside the United States. Exports are estimated at \$175 million in 1955-56 compared with \$126 million in 1954-55. Donations decreased last year for nonfat dry milk solids, butter, butter oil, cheese, and cottonseed oil. CCC, in fact, suspended cottonseed oil donations in 1955-56 due to inventory depletion. On the other hand, new items were added to the donation list: Wheat, corn, rice, and dry beans.

Export-Import Bank financed cotton shipments. The Export-Import Bank has for several years made short-term loans to finance agricultural exports. Most of this aid has gone to help Japan finance purchases of U. S. cotton. The Bank financed shipments totaling \$62 million in 1955-56, consisting of cotton for Japan and Austria. In the previous year, financing amounted to \$69 million, consisting of cotton for Japan and wheat for Brazil. Last year's loans financed about 15 percent of all U. S. cotton exported.

CCC sold more for export at competitive prices. Last year's CCC operations expanded considerably: Disposition commitments for commercial sales (mostly at competitive prices) increased from \$567 million (dollar return) in fiscal year 1954-55 to \$992 million in 1955-56. These figures include sales for export under other Government programs, such as sales for foreign currency. Most striking commodity development was the increase in commitments for cotton sales from only 56 thousand to 3.4 million bales. Other increases: Wheat, from 171 million bushels to 204 million; barley,

from 31 million bushels to 58 million; soybeans, from 0 to 4.4 million bushels; butter, from 6 million pounds to 33 million; and nonfat dry milk solids, from 8 million pounds to 115 million. Striking decline was for cottonseed oil: from 696 million pounds to 73 million as CCC had disposed of most of its surplus stocks in fiscal year 1954-55. Linseed oil export sales were only one-half of the 1954-55 total of 135 million pounds.

More trade information was made available. The increased tempo of export trade has been associated with an important expansion in the collection and analysis of information on prospects for U. S. sales in foreign markets. USDA's network of attaches stationed abroad has been expanded to more than 80 posts. Attaches furnish market and competition information and otherwise assist U. S. traders in their efforts to expand sales. Specialists are working with U. S. exporters on the kinds, qualities, and grades of products and types of containers and packaging desired by foreign consumers. A start was made last year on export market development programs using Section 32 and Title I funds.

Unfavorable factors in the export trade. Last year's increase in agricultural exports was achieved despite many difficulties confronting U. S. exporters: 1. Most important was a multitude of discriminatory trade barriers that excluded U. S. products from large segments of the markets in many countries. 2. The competitive foreign production of a number of commodities continued to increase about as rapidly or more rapidly in some cases than the effective demand. 3. U. S. prices in some cases were higher than those quoted by competitors. 4. Per capita demand for certain products such as wheat and rice has become relatively inelastic despite rising incomes. 5. In some countries, higher priority was given to U. S. manufactured goods than to agricultural products in the allocation of dollar exchange. 6. Few currencies were freely convertible. 7. Last year's second-half exports of some commodities were delayed by a worldwide ship shortage.

Agricultural export rise paralleled gain in industrial exports. The 10-percent rise in agricultural exports last year was matched by a 10-percent rise in industrial exports. Industrial exports include Defense Department military shipments, which declined by \$1 billion in 1955-56. Without the military goods, the industrial export gain amounted to 12 percent.

Some highlights on destination of agricultural exports: The detailed discussion of the geographical distribution of U. S. agricultural products in fiscal year 1955-56 will be given in a later circular when more data are available. Highlights--based on calendar 1955 exports--are given here. Five markets--Japan, the United Kingdom, Canada, the Netherlands, and West Germany--took nearly half of total U. S. agricultural exports in 1955. Japan was the principal market for grains, cotton, fats and oils; the United Kingdom for tobacco; and Canada for fruits and vegetables. Because of reduced purchases of cotton, all of these countries except the United Kingdom imported less from the United States than in 1954. However, they retained their traditional position as the best foreign customers of U. S. agriculture. Donations and sales for foreign currencies represented only about 10 percent of exports to these countries compared with over 25

percent for all other countries. About 10 percent of exports to the United Kingdom and 16 percent to the Netherlands and West Germany resulted from barter transactions.

The five markets next in importance--Yugoslavia, Belgium, Cuba, Italy, and Spain--accounted for an additional 15 percent of total exports in 1955. Nearly all the exports to Yugoslavia, the bulk of those to Spain, and about half of those to Italy were direct donations or were sold for foreign currencies. Exports to Cuba and Belgium, on the other hand, were not assisted by these programs, although barter accounted for nearly one-fourth of exports to Belgium. Cuba, like Canada, did not participate in any U. S. export programs.

COTTON

U. S. cotton prices were not competitive during most of the year. With an upsurge in cotton shipments during the last 4 months of fiscal year 1955-56, the year's total stood at an estimated 2.3 million 480-pound bales, 39 percent under the 1954-55 figure of 3.8 million bales. June exports are estimated from trade sources.

The low level of exports during the first 8 months of 1955-56 reflected in part the underpricing of U. S. cotton by exporters abroad and the expectation of lower prices under a new U. S. export program. Foreign importers reduced purchases to minimum replacement needs. For the major foreign markets, indications are that Japan, Formosa, and possibly Spain, took more U. S. cotton in fiscal year 1955-56 than in 1954-55. Much less U. S. cotton was exported last year to major customers like France, West Germany, Italy, the Netherlands, the United Kingdom, and Canada. Even U. S. foreign aid programs--which assist more than half the cotton exported--~~moved~~ little authorized shipments until U. S. prices were reduced.

The pickup in exports in the last 4 months of 1955-56 was the outcome of CCC sales of 1 million running bales of 15/16 inch and shorter staple made during January and February on a bid basis. (Since April, CCC has been selling upland cotton on a bid basis for export after July 31; sales through July 24 totaled 3.0 million running bales, equivalent to about 3.2 million 480-pound bales.)

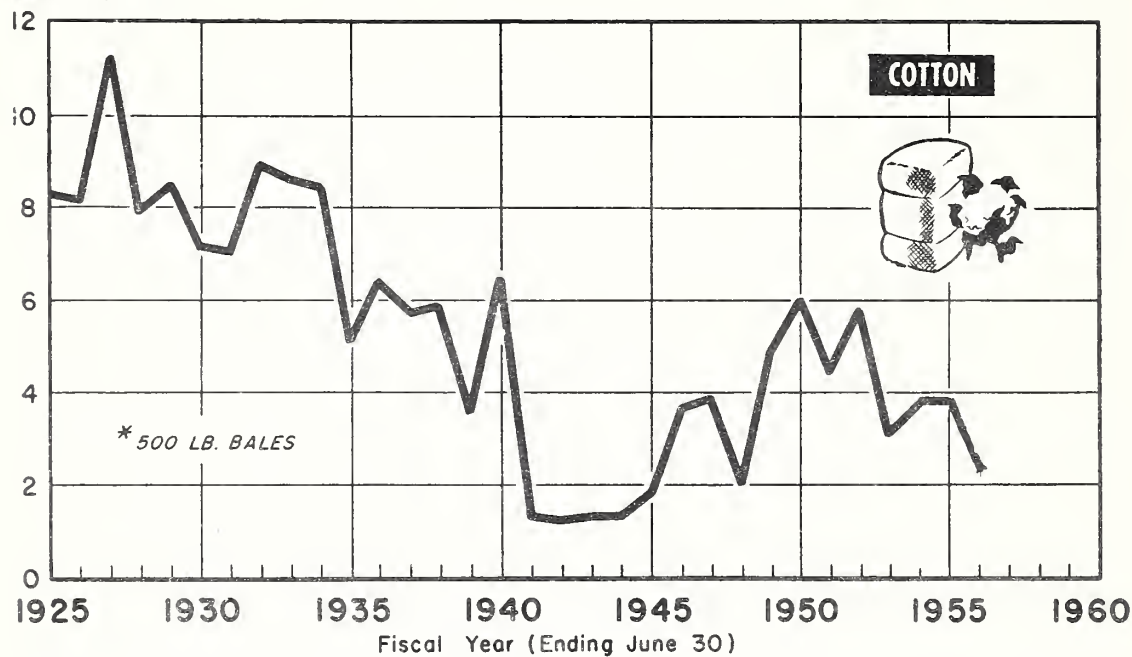
TOBACCO

Tobacco export quantity was largest in 10 years; value set new record.

U. S. tobacco exports are estimated at 570 million pounds (export weight) in 1955-56 compared with 460 million in 1954-55 and 459 million in 1953-54. Past year's quantity is the largest since 1946-47 when exports totaled 592 million pounds; value estimated at \$380 million is the largest of record. About half of the increased shipments in 1955-56 was due to sales for foreign currency under Public Law 480. Otherwise, the shortage of dollars in some importing countries would have continued as the principal limiting factor for U. S. exports. Dollar sales also increased substantially.

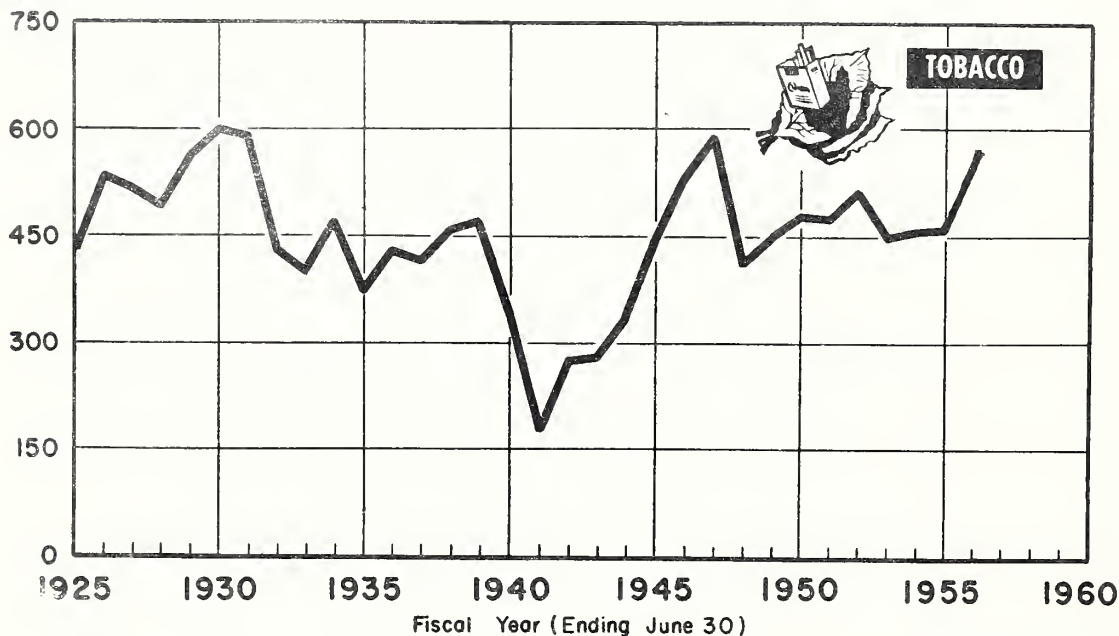
Two specific factors responsible for augmenting foreign demand for U. S. leaf were the low stocks relative to consumption and the increasing use of

Million Bales *



June 1956 estimated.

Million Pounds



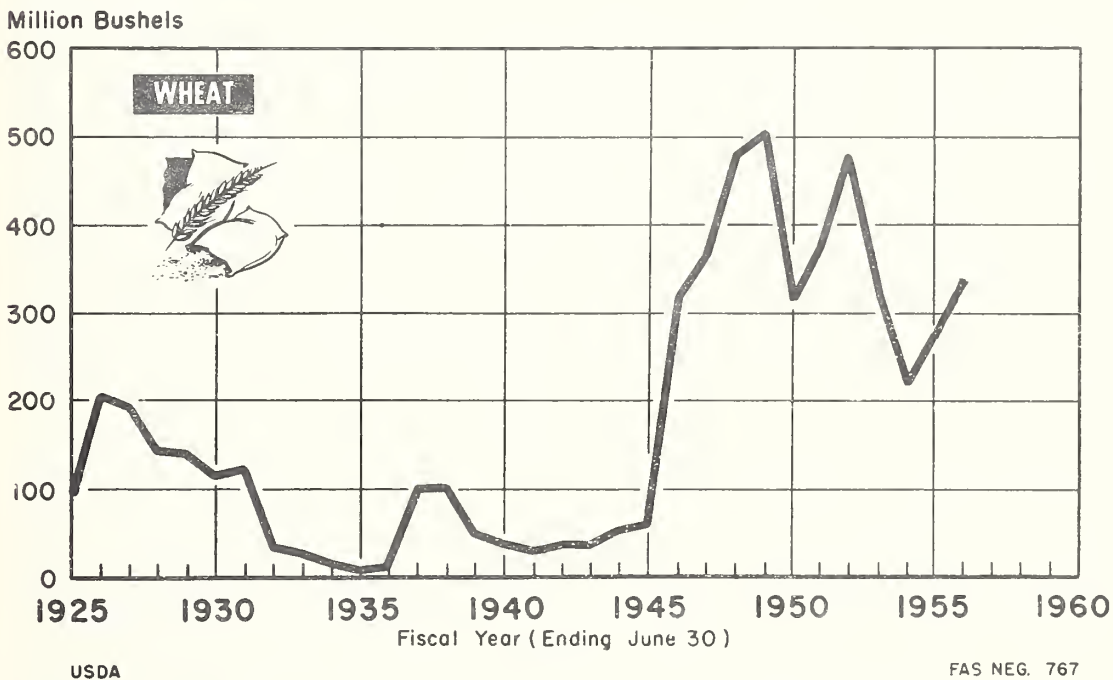
Export weight. Unmanufactured. June 1956 estimated.

cigarettes made from light tobaccos. Two closely interrelated factors of a general nature were the high levels of economic activity and increased currency reserves abroad. Principal markets abroad are the United Kingdom, West Germany, the Netherlands, and Australia.

Although less apparent in 1955-56 than in earlier years, the chief hindrance to increased U. S. marketings abroad is the widespread use of discriminatory trade barriers.

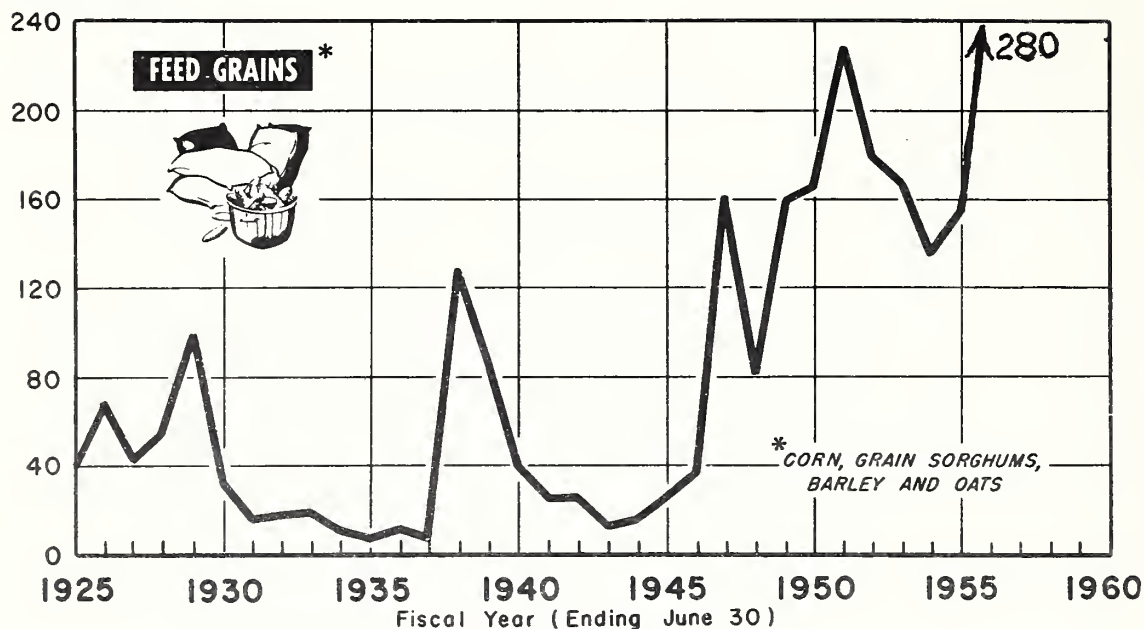
GRAINS AND FEEDS

Grains and feeds showed greatest dollar gain. U. S. exports of grains and feeds are estimated at \$1,170 million in 1955-56, 33 percent larger compared with \$882 million in 1954-55. All categories showed increases: Wheat, coarse grains, rice, and feeds. Dollar gain totaled \$288 million, largest of the major groups. Principal favorable factors were: 1. Greatly improved economic conditions. 2. Increased dollar earnings and holdings in a number of foreign countries. 3. Increased feed grain requirements in many countries as a result of a continued upward trend in livestock numbers and in the quantities of feedstuffs fed per animal unit. 4. Surplus disposal programs. 5. Damage to winter wheat in Northwestern Europe during the 1956 freeze.



Includes grain equivalent of flour. June 1956 estimated.

Million Bushels

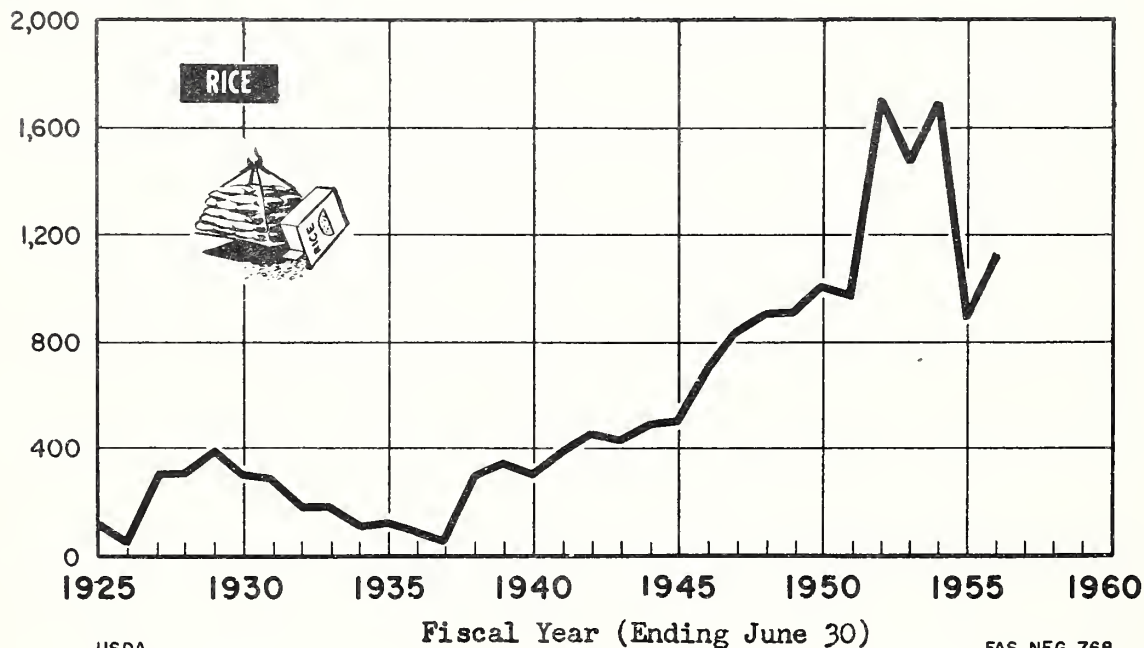


USDA

FAS NEG. 769

Correspondent by weight and feeding value. June 1956 estimated.

Million Pounds



USDA

FAS NEG. 768

Milled basis. June 1956 estimated.

Wheat exports were largest in 4 years. Combined exports of wheat and wheat flour totaled 340 million bushels in fiscal year 1955-56 based on Census Bureau shipment data through May and USDA inspection data for June. The 1955-56 quantity compares with 274 million bushels in 1954-55 and 220 million in 1953-54 and was the largest export since 1951-52 when shipments amounted to 475 million. Once again, the United States outranked Canada as a wheat exporter; Canada shipped less than 300 million bushels last year.

Two factors predominated in last year's improved U. S. wheat exports: Government export programs and damage to winter grain in Northern Europe. Export programs included sales for foreign currency under Title I of Public Law 480 and Section 402 of Public Law 665, barter sales under Title III of Public Law 480, and grants under Title II of Public Law 480.

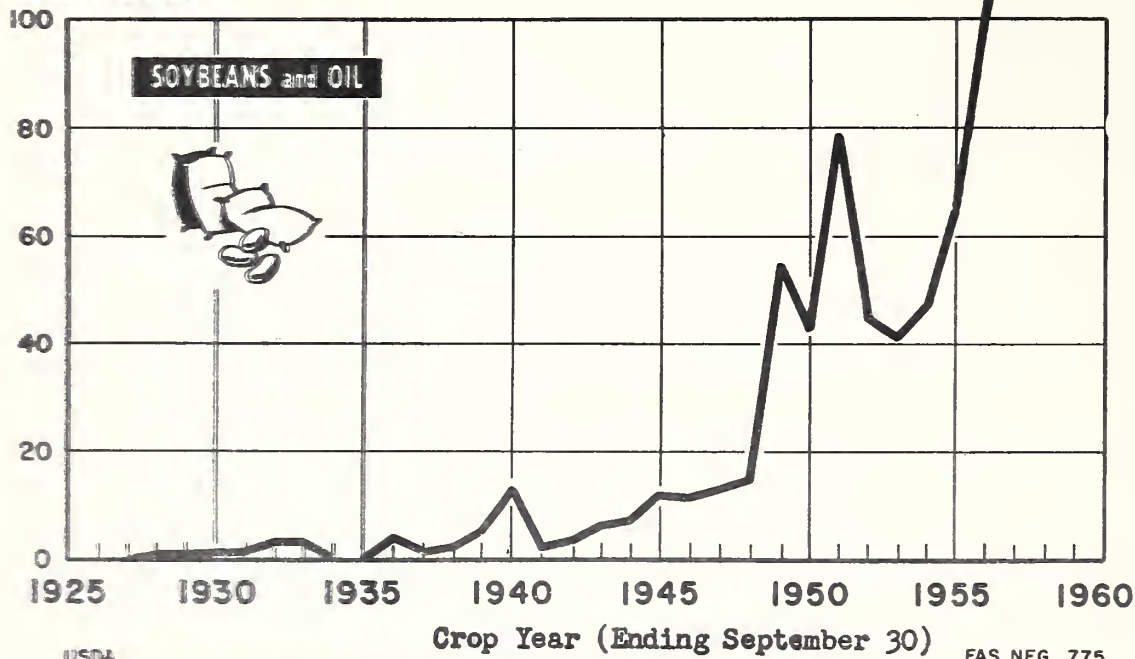
Improvement in exports came late in the year--in the last quarter. Exports to Europe appear to have been moderately smaller in 1955-56 than in 1954-55, largely because of reduced shipments to the United Kingdom, Yugoslavia, and West Germany. This reduction was more than offset by increased exports to South America, Africa, and Asia; increases for Brazil, Egypt, Japan, and Pakistan were especially large. Exports also increased to the Netherlands and to France. France is usually an exporter, but its winter crop was damaged by weather.

Last year wheat was added to the list of surplus commodities eligible under Title III of Public Law 480 for donation to private U. S. welfare agencies for distribution to needy persons overseas. Based on incomplete data for June, welfare agencies so far have reported 1955-56 shipments totaling 2.2 million bushels. This quantity of wheat is in addition to that given above for 1955-56. This wheat as well as other Title III CCC donations except to UNICEF are reported in U. S. foreign trade statistics under a catchall commodity classification, "Food exported for relief or charity by individuals or private agencies."

Record high was attained by feed grain exports. Improved diets abroad have followed quite naturally the rise in overseas economic activity and purchasing power. Main market for feed grains is Europe where livestock production is being expanded to provide more livestock and poultry products. Feed grain exports in fiscal year 1955-56 are estimated to have reached a record high of 8.3 million short tons, 84 percent more than the 4.5 million tons in 1954-55. Feed grains are corn, oats, barley, and grain sorghums. Exports were improved last year also for oilcake and meal, other feeds, and rye. Credit is due in part to competitive pricing and strong efforts under export programs, including foreign currency and barter sales under Public Law 480 and in part to rising demand abroad for meat and other livestock products.

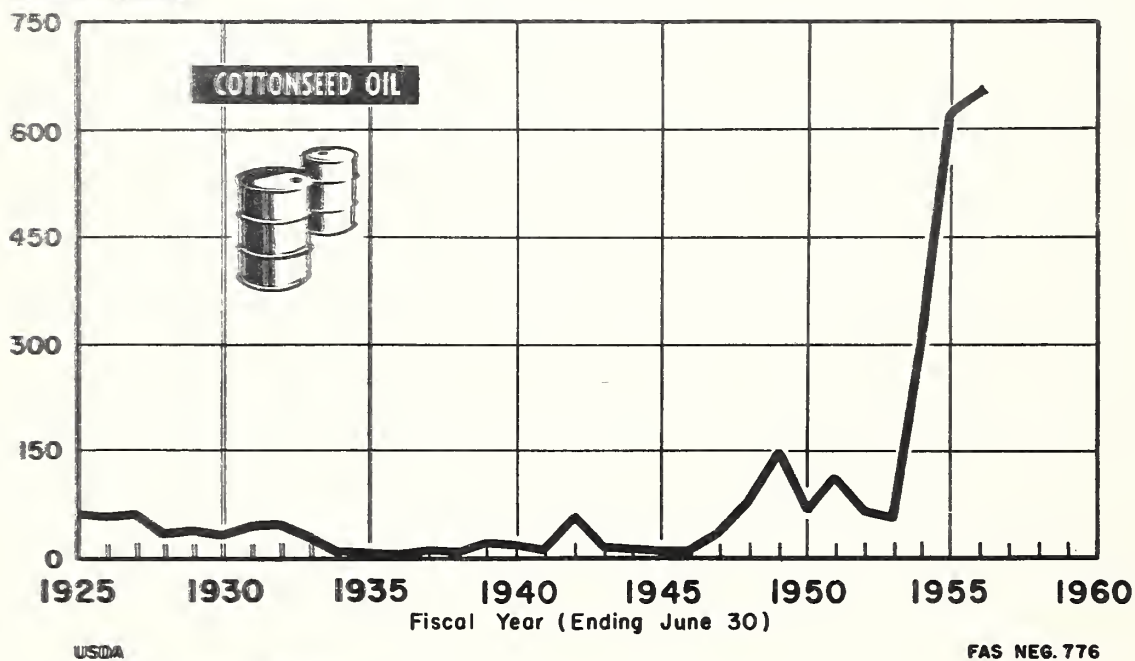
In addition to the corn included in the above feed grain total for 1955-56, U. S. private welfare agencies also exported 273 thousand bushels to needy persons overseas. Corn was added to the list of eligible commodities in 1955-56.

Million Bushels



1956 partly estimated.

Million Pounds



June 1956 estimated.

Export programs accounted for larger rice exports. Milled rice exports (including milled equivalent of paddy) increased from 8.8 million bags in fiscal year 1954-55 to an estimated 11.2 million bags in 1955-56. The largest part of the increase occurred early in the year, when substantial shipments were made to Japan for yen under Title I. These shipments were against Title I purchase authorizations issued during 1954-55. Later in the year, substantial relief grants were made to Pakistan under Title II of Public Law 480 to relieve a food shortage due to drought. Exports of rice to Cuba, chief customer for U. S. rice, continued to hold up well.

Rice was another newly added item to last year's Title III CCC donation list; private welfare agencies have reported shipments of 830 thousand bags. This quantity is in addition to that given above for 1955-56.

VEGETABLE OILS AND OILSEEDS

Vegetable oil and oilseed exports were spectacular. U. S. exports of oilseeds and expressed vegetable oils totaled an estimated \$400 million in 1955-56 compared with \$302 million in 1954-55. Last year's spectacular performance was the outcome of improved economic activity and rising demand abroad, competitive U. S. prices, export programs, and smaller supplies of oil olives and certain foreign competitive oilseeds. Last year's export volume was so favorable as to tighten home supplies.

Soybean exports again set record. Soybean exports are estimated at 69 million bushels in fiscal year 1955-56, based on shipments through May and Federal inspections in June. Last year's figure was a record high, 37 percent greater than exports in 1954-55 when a then record 51 million bushels moved out.

The consistent growth in U. S. soybean exports from 16 million bushels in 1951-52 has been phenomenal. Ten years ago exports amounted only to 4 million bushels.

Prime factors in the heavy foreign demand for U. S. beans last year were the following: 1) CCC's accumulated supplies of cottonseed oil had been sold or committed. 2) Importers could rely on U. S. deliveries of soybeans as compared with the not-too-dependable supplies from China. 3) Importers--mainly in Europe--needed the byproduct cake and meal for feed. 4) U. S. soybeans helped to provide economic activity for European oil mills which, since World War II, have operated at less than 50 percent of capacity.

Progress was made during 1955-56 toward the elimination of quality complaints due to misunderstanding of U. S. grade standards and inspection procedure.

Combined exports of soybeans and oil are pictured on a crop year basis in the chart at the top of page 12. The crop year runs from October through September.

Combined exports of soybean and cottonseed oils set 1 billion-pound record. Exports of soybean oil and cottonseed oil aggregated 1 billion pounds in 1955-56 based on shipment data through May and FAS estimates for June. Quantity for 1955-56 is a new record totaling more than 50 percent larger than the 660 million pounds exported in 1954-55 and $2\frac{1}{2}$ times the 397 million shipped in 1953-54.

Ten years ago exports were less than 100 million pounds; they reached a peak of 495 million pounds in 1951-52 and experienced a severe setback in 1952-53. These vegetable oils are an important part of the diets of millions of people, especially in Europe, where economic activity moves along at a quickened pace.

Two factors predominated in the heavy export volume last year: 1) Decreased production of olive oil in the Mediterranean Basin, and 2) A very short sunflower-seed crop in Argentina in 1955. U. S. cottonseed oil has been highly favored in West Germany's manufacture of top-quality margarine.

Soybean oil exports were 10 times larger in 1955-56 than in 1954-55 while cottonseed oil exports were only slightly ahead, but it must be remembered that 1954-55 exports were in large part from CCC stocks while 1955-56 export sales came out of current output.

CCC also donated large amounts of cottonseed oil to private welfare agencies for overseas distribution to needy persons. Shipments reported totaled 10 million pounds last year compared with approximately 30 million in 1954-55.

More flaxseed, less linseed oil, was exported. Flaxseed exports at 10 million bushels continued large in 1955-56, 2 million bushels ahead of 1954-55. U. S. prices were competitive. While there was an abnormally large crop in Canada--largest in over 40 years--output in Argentina was the smallest in nearly 3 decades.

Exports of linseed oil in 1955-56, estimated at 125 million pounds, were 60 percent smaller than the 318 million-pound volume in 1954-55; exports in the past 2 years included considerable quantities sold by CCC at prices below domestic levels. Although used extensively as a food oil in some countries, primary use for linseed oil is in the manufacture of paints, linoleum and related floor coverings.

LIVESTOCK PRODUCTS

Livestock product exports were ahead by 18 percent. U. S. exports of livestock and livestock products are estimated at \$545 million in fiscal year 1955-56 based on shipments through May and FAS estimates for June. This value is 18 percent above the 1954-55 figure of \$461 million. All groups showed increases: Fats, meats, hides and skins, poultry products, and dairy products. Government programs aided in stepping up exports of most items but competitive pricing helped others.

Because people abroad now have the ability as well as willingness to improve their diets, livestock products--especially in the form of meat and milk products--offer great promise for market development efforts.

Exports of dairy products are not fully reported as such by the Bureau of the Census owing to inclusion of CCC donations to welfare agencies in a catchall relief food category; only donations to UNICEF are reported in dairy classes.

Animal Fats

Lard shipments largest in 4 years. Lard exports totaled an estimated 645 million pounds in 1955-56--a 4-year peak--25 percent larger than shipments of 516 million in 1954-55 and 59 percent above the 405 million exported in 1953-54. The strong foreign demand for edible fats and oils aided U. S. shipments of lard as well as vegetable oils. Heavy lard exports have been an important factor to the expanding U. S. livestock industry. The competitive price and high quality have been the greatest impetus in keeping U. S. lard moving to foreign markets in increasing quantities. Chief overseas markets for U. S. lard are Cuba and the United Kingdom. Shipments to a number of countries are small because of import controls.

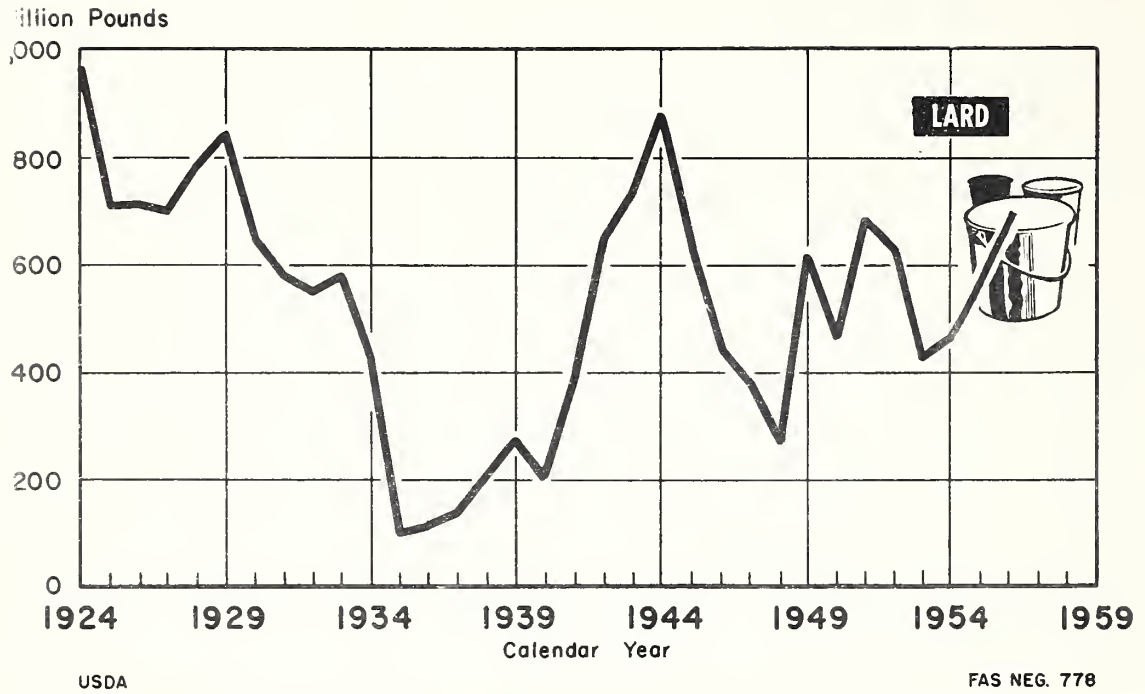
Lard exports are shown on a calendar year basis in the chart at the top of page 16.

Tallow exports were at record high. Exports of edible and inedible tallow also established another record in fiscal year 1955-56: 1,330 million pounds compared with 1,092 million in 1954-55 and 1,041 million in 1953-54. Ten years ago exports were 22 million pounds; every year since then has seen export volume mount. Heavy exports have done much to ease the pressure on the livestock industry. Tallow is used principally in the manufacture of soap. With the advent of synthetic detergents in the United States and with the steady growth in the U. S. livestock industry, larger amounts of tallow have become available for export. And the rest of the world has been eager to buy U. S. tallow. Competitive price and high quality have been the chief stimulants. U. S. tallow ranks high among the world's cheapest fats. Chief overseas markets are the Netherlands, Japan, Italy, and West Germany.

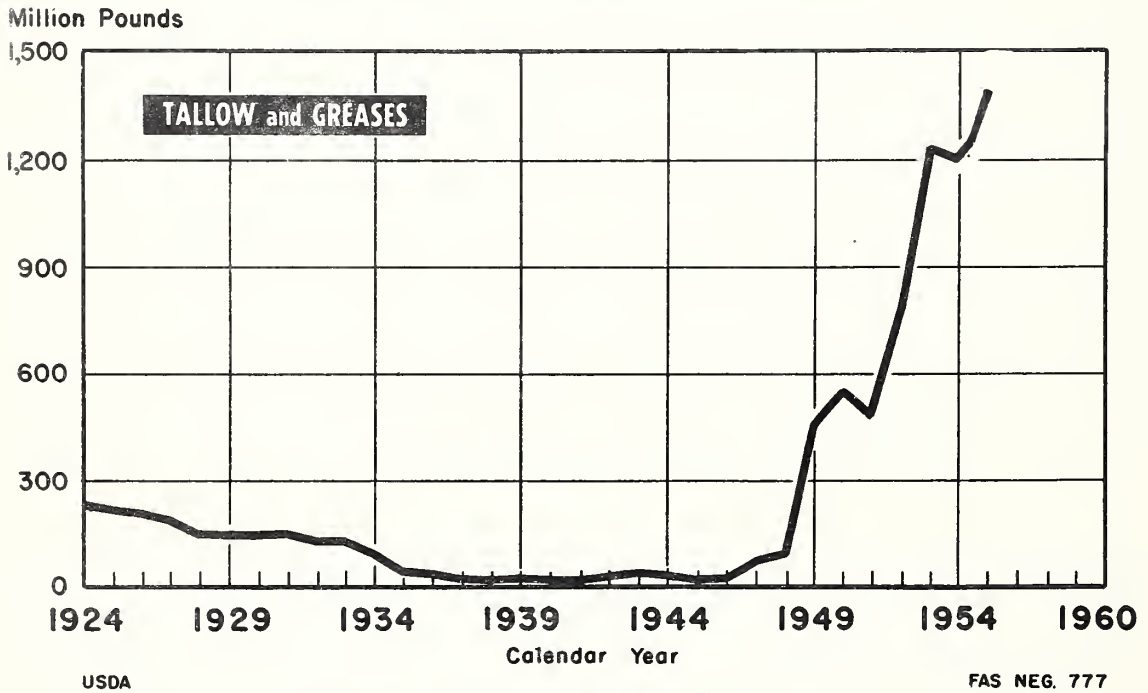
Exports of tallow and greases are shown on a calendar year basis in the chart at the bottom of page 16.

Meats

Beef exports were largest since 1946-47. U. S. exports of beef and veal are estimated at 51 million pounds (product weight) in fiscal year 1955-56, 19 percent larger than the 43 million in 1954-55. Last year's exports were the largest since 1946-47, when large exports represented relief shipments to Europe. The shipments during 1955-56 included sizable quantities of frozen beef to Spain under a program of the International Cooperation Administration.



1956 estimated from January-June.



1956 estimated from January-June.

Exports are likely to increase in 1956-57 as beef moves out in volume to Israel under the provisions of Public Law 480. U. S. exports of carcass and prime cuts of beef are hampered by relatively high U. S. prices. However, exports of livers, hearts, tongues, and trimmings are highly competitive in most areas but are limited by import restrictions.

Lower prices helped move U. S. pork abroad. U. S. exports of pork in 1955-56 totaled an estimated 72 million pounds (product weight) compared with 63 million in the previous year, a gain of 13 percent. Last year domestic supplies were larger and prices lower. Exports to Cuba--a meat-deficit nation--increased substantially. Prices of U. S. pork products are highly competitive in most foreign countries yet U. S. pork moves abroad with great difficulty. U. S. pork is excluded from a large number of markets because of the occurrence of vesicular exanthema and hog cholera in some areas in the United States. Other countries prohibit or restrict the entry of U. S. meat and meat products by exchange controls, bilateral trade agreements, and discriminatory sanitary or quarantine regulations.

Hides and Skins

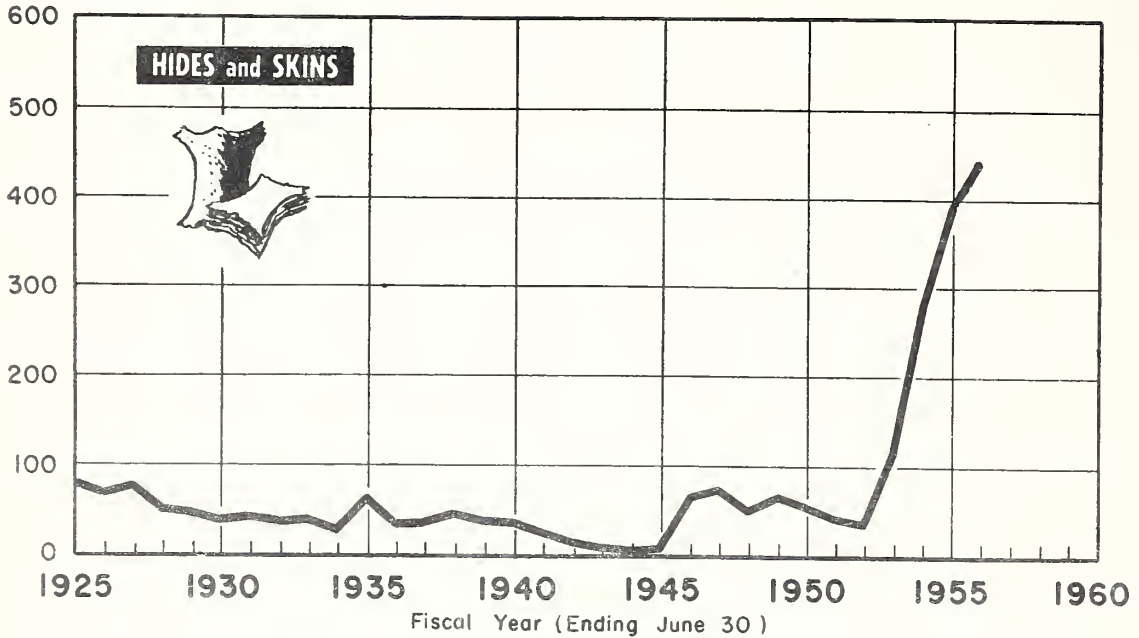
The United States is an important exporter of hides and skins. U. S. exports of hides and skins--largely cattle hides and calf skins--totaled an estimated 10 million pieces in fiscal year 1955-56 compared with 9 million in 1954-55 and 7 million in 1953-54. Because of the record slaughter of cattle and calves in the United States, this country has become an important exporter of cattle hides and calf skins. Moreover, foreign buyers are rapidly becoming aware of the high quality of U. S. hides. The upward trend in hide exports is expected to continue. They are relatively free from import restrictions other than for reasons of dollar shortages. Chief overseas outlets for U. S. cattle hides are Japan, the Netherlands, and West Germany. In recent years, exports have mounted sharply to Canada, Mexico, Colombia, Belgium, and Israel. Most U. S. exports of calf and kip skins go to Japan, West Germany, Canada, the Netherlands, and Mexico. Because domestic production is not sufficient, the United States imports sheep and goat skins to fulfill domestic requirements.

Dairy and Poultry Products

Cheese exports increased sharply but still were relatively small. U. S. exports of cheese totaled an estimated 35 million pounds in fiscal year 1955-56 compared with 9 million in 1954-55 and 7 million in 1953-54. U. S. cheese exports normally have been very small. Recent increases have been due in part to Government export programs and in part to Government-to-Government sales at negotiated prices.

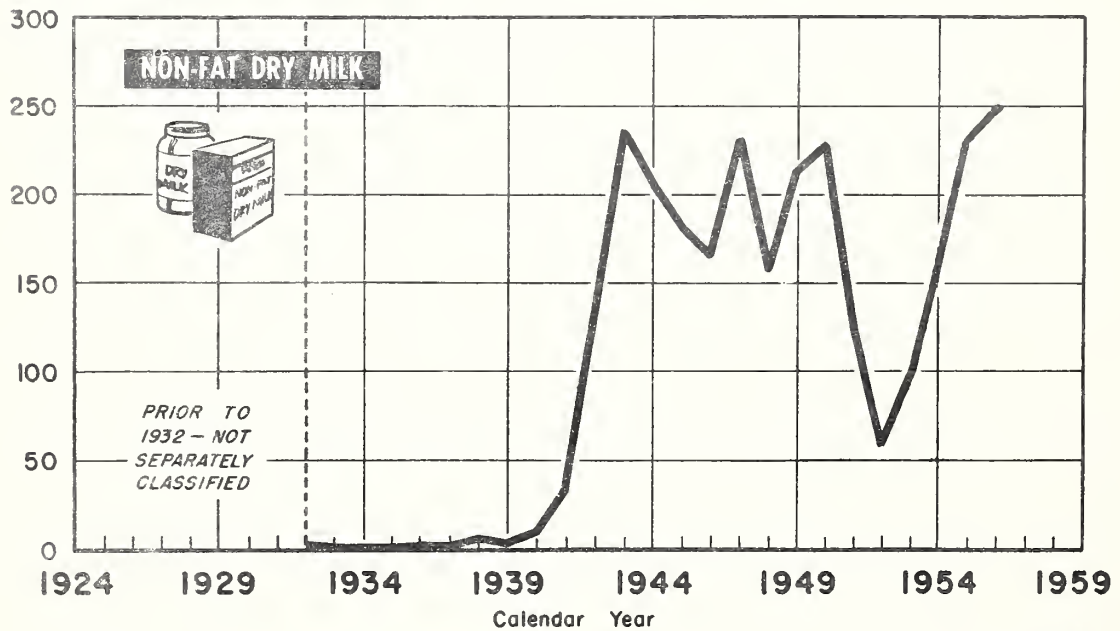
During and immediately after World War II, U. S. exports of cheese were large when this country was called upon to supply high quality protein food.

Million Pounds



June 1956 estimated.

Million Pounds



1956 estimated from January-May.

Last year's export statistics also included but did not identify shipments of about 120 million pounds of cheese donated by CCC to private welfare agencies for distribution to needy persons overseas; in 1954-55 such shipments approximated 90 million pounds.

Butter exports were stimulated by Government programs. Exports of butter totaled an estimated 33 million pounds in fiscal year 1955-56 compared with 14 million in 1954-55 and less than 1 million in 1953-54. U. S. exports have been negligible except during World War II and immediate postwar years and later. Most of the recent gains reflect stepped-up Government-to-Government sales at negotiated prices, mainly to Israel. In addition, commercial sales have been larger due to CCC sales at competitive prices. Major handicap to increased U. S. commercial sales overseas is the high level of U. S. prices.

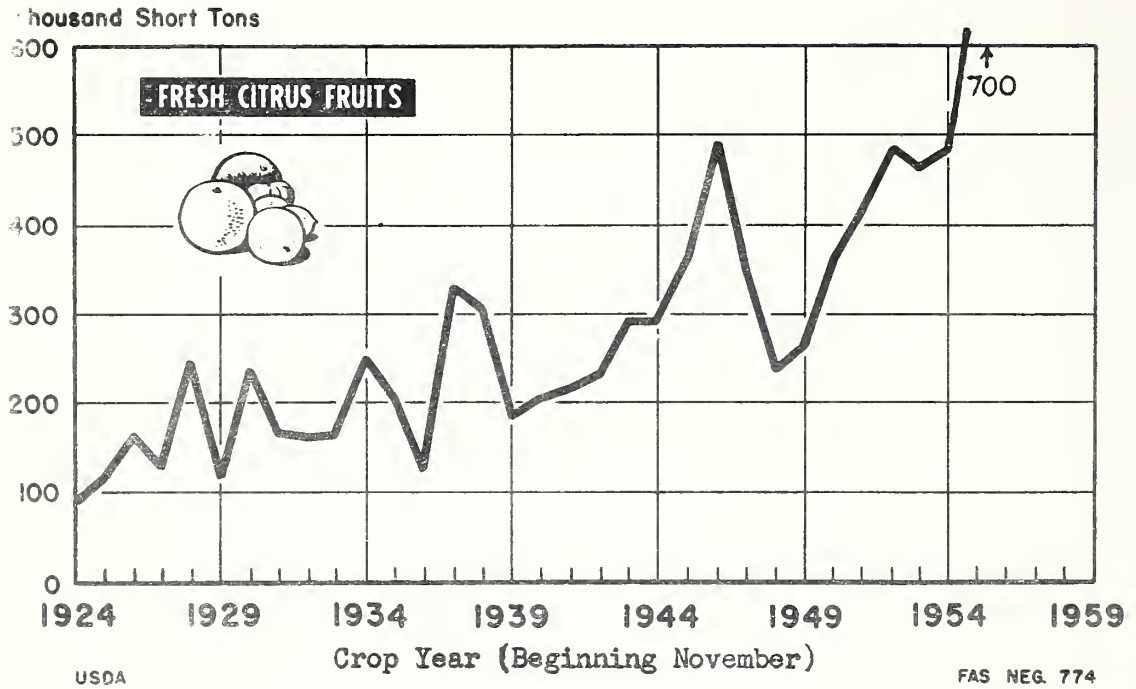
The export statistics last year included but did not identify shipments of 93 million pounds of butter as such and another 93 million pounds as butter oil donated by CCC to private welfare agencies for overseas distribution. In 1954-55, these shipments were approximately 80 million pounds as butter and 60 million as butter oil.

Nonfat dry milk exports benefited from Government programs. Exports of nonfat dry milk solids totaled an estimated 220 million pounds in fiscal year 1955-56 compared with 176 million in 1954-55 and 178 million in 1953-54. Government programs have played the major role in maintaining and expanding nonfat dry milk exports. Many foreign customers have, through these programs, for the first time been able to try such products. These people need particularly the calcium and protein furnished by such foods. Government-to-Government sales at negotiated prices have been substantial. CCC has sold (at nominal price) nonfat dry milk solids to UNICEF (the United Nations Children's Fund) and to Italy and Japan for school lunch purposes.

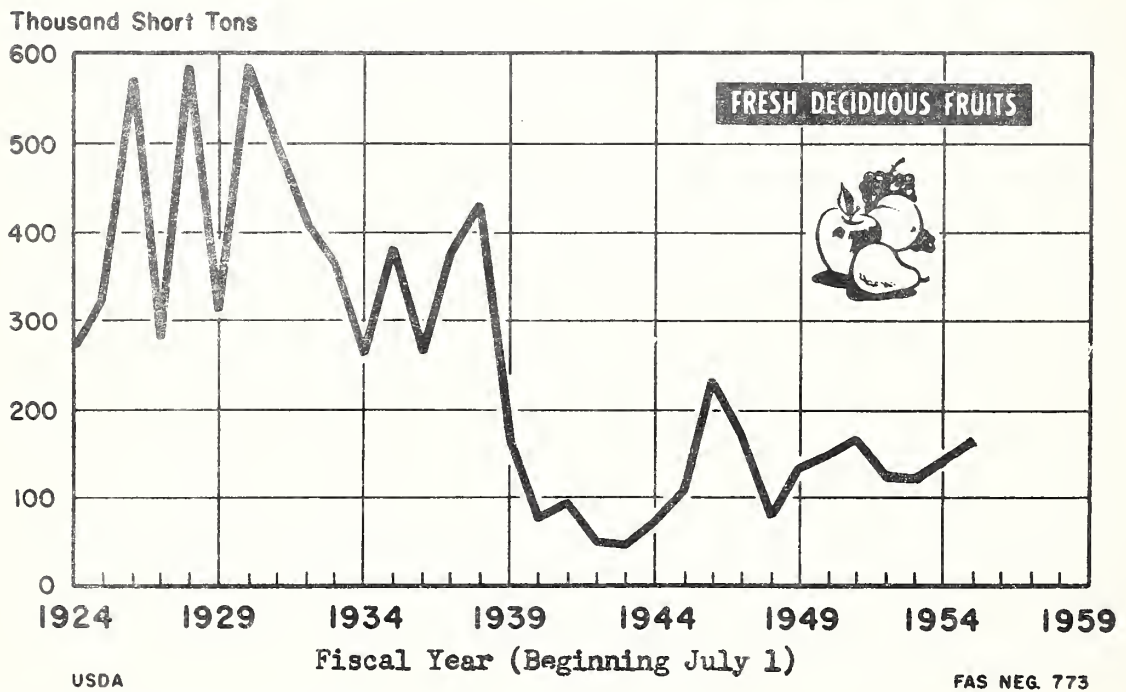
Last year the export statistics included but did not identify shipments of 240 million pounds of CCC-donated nonfat dry milk solids to U. S. private welfare agencies for overseas distribution. In 1954-55, shipments amounted to 202 million pounds.

Exports of nonfat dry milk solids are shown on a calendar year basis in the chart at the bottom of page 18.

Other milk products did well too. Both evaporated milk and dried whole milk exports increased in 1955-56 over 1954-55. These exports have been fairly well maintained by competitive pricing. Exports of evaporated milk totaled an estimated 150 million pounds in 1955-56 compared with 143 million in 1954-55. Exports of dried whole milk totaled an estimated 50 million pounds in 1955-56 compared with 42 million in 1954-55. Dried whole milk goes mostly to Venezuela, a steady customer.



1955 partly estimated.



1955 partly estimated.

U. S. egg and poultry exports showed increase. U. S. exports of eggs and other poultry products totaled an estimated \$35 million in fiscal year 1955-56 compared with \$30 million in 1954-55. Most of the trade is in eggs in the shell, baby chicks, and eviscerated poultry. Shell egg exports amounted to an estimated 50 million dozen in 1955-56 compared with 52 million in 1954-55. Over 80 percent of the shell egg exports are made to Mexico, Venezuela, Cuba, and Colombia. Foreign demand for U. S. chicks, generally regarded to be of superior quality, continued to increase in many countries where poultry production is expanding. Canada has been importing more U. S. chickens, capons, and turkeys. In December 1955 West Germany was authorized to buy U. S. poultry under Title I of Public Law 480.

FRUITS AND VEGETABLES

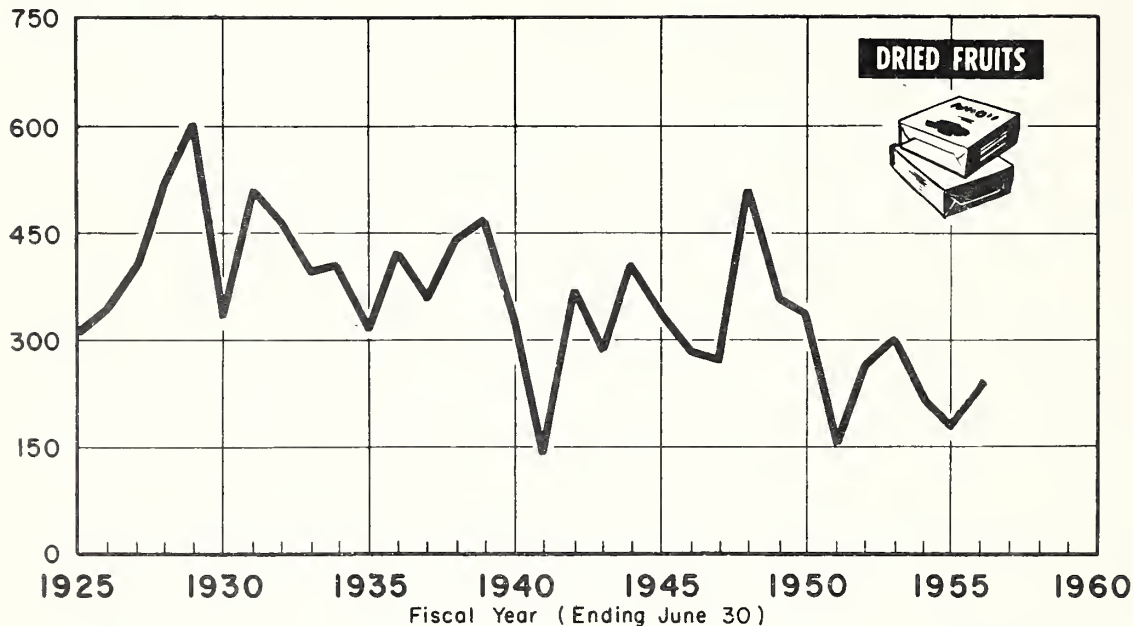
Fruit and vegetable export total was 19 percent ahead. Exports of fruits and vegetables totaled an estimated \$325 million in 1955-56 based on shipments through May and FAS estimates for June. The 1955-56 value compares with \$274 million in 1954-55, an increase of 19 percent, and is the largest in 10 years. Factors contributing to the growth of these exports include the increased purchasing power abroad, preference for high quality U. S. products, smaller production of some foreign crops, and relaxation of import controls. Last year, supply shortages in certain areas resulted in increased demand for some U. S. products. Canada's economic growth has strengthened demand for U. S. fruits and vegetables in this area. Canada takes about half of the fruits and vegetables exported by the United States; these items make up about half of its total agricultural takings from the United States.

Fruits

Orange exports set record last year. The year's most striking development in exports of fruits and vegetables was the record volume of fresh oranges. Total for 1955-56 is estimated at 1,330 million pounds compared with 640 million in 1954-55 and the previous record of 823 million in 1953-54. Principal factor in the 1955-56 rise was the Spanish freeze last February which limited the amount of fruit that Spain could ship to other countries in Europe. U. S. fresh oranges are usually not competitive pricewise in Europe in the winter when Mediterranean supplies are heavy. Most U. S. orange exports occur during the spring and summer months, in competition with South Africa and Brazil. Exports of fresh citrus fruit are shown on a crop year basis in the chart at the top of page 20. The crop year runs from November through October.

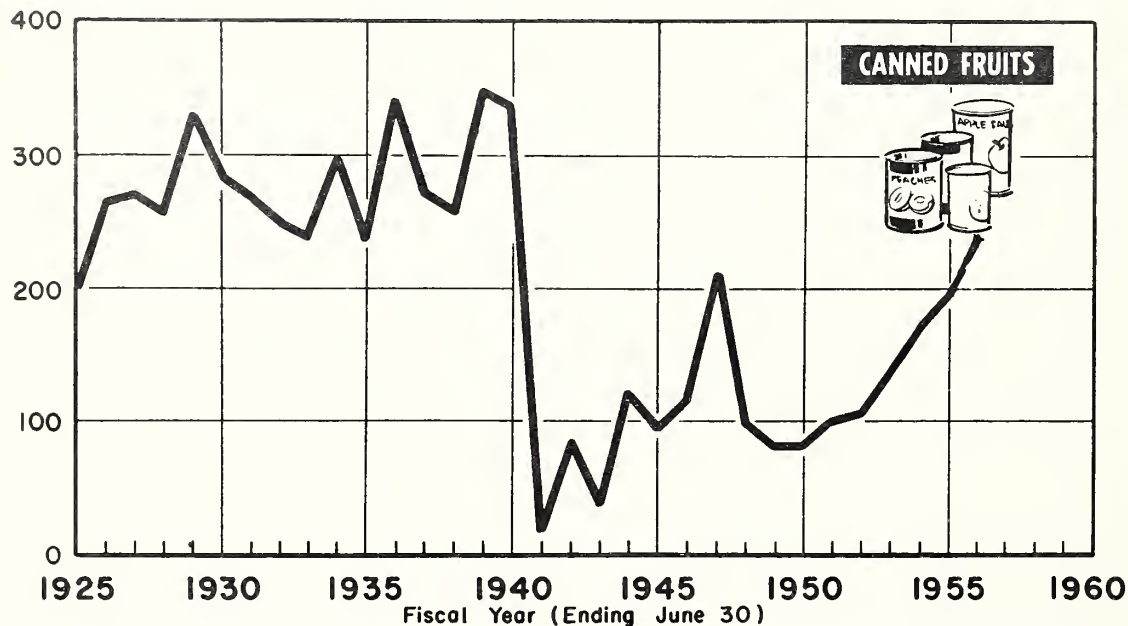
Apple exports rose but were far below prewar. Fresh apple exports totaled an estimated 110 million pounds in fiscal year 1955-56, a 4-year high. Exports have risen steadily since 1952-53, when a sharp setback took place from the relatively high levels attained after World War II. However, exports since the war--limited by European import controls--have been very much below prewar levels. Exports of deciduous fruits in general have declined to Europe, where production has increased. U. S. fruit can compete there because of superior quality and packing, but delivered costs are higher than those of foreign

Million Pounds



June 1956 estimated.

Million Pounds



June 1956 estimated.

competitors in part due to higher ocean freight charges. Last year's efforts by the trade to provide a better product should enhance the reputation of U. S. apples: the container was a great improvement over the year before, and the pack was more in keeping with prewar standards. Apple prices in Europe are now more in keeping with the consumers' capacity to pay.

Grape exports gained in quality and quantity. U. S. exports of fresh grapes are estimated at a record 155 million pounds in fiscal year 1955-56 compared with 114 million in 1954-55 and 97 million pounds in 1953-54. U. S. grapes have been moving out in almost steadily increasing volume since the start of World War II. The grape industry made high quality shipments to Europe last year and can expect the results of their efforts to surely stimulate interest in future trading with the United States. Moreover, after an absence of 15 years, California grapes were back on the English market last year.

Short crop slowed U. S. prune exports. Exports of dried prunes totaled an estimated 75 million pounds in 1955-56, slightly under the 77 million in 1954-55 and substantially below the 85 million in 1953-54. Exports last year were limited by the short U. S. crop in 1955. U. S. prunes command a premium in world markets because of their superior size and quality. Low priced Yugoslavian prunes provide the principal foreign competition. However, both foreign and domestic demand for prunes is declining.

Raisin exports showed marked gain last year. A good demand in Europe, a poor quality Australian crop, and a short Turkish crop were of considerable importance in boosting U. S. exports of raisins in fiscal year 1955-56. Year's estimate of 155 million pounds--a 3-year high--contrasted with 83 million in 1954-55 and compared with 119 million in 1953-54. U. S. exports have fluctuated widely. Both U. S. and some foreign raisins have been exported at prices that were lower than those in their own domestic markets. U. S. natural Thompson seedless raisins, although preferred in Scandinavian countries, encounter serious competition in other European countries from Australian, Turkish, Greek and Iranian Sultanais.

Europe took more U. S. canned fruits. Canned fruit shipments reached an estimated total of 240 million pounds in 1955-56, largest volume since pre-war years. Last year's exports compared with 194 million pounds in 1954-55 and 172 million in 1953-54. Chief stimulant to exports of canned fruit was a sale to the United Kingdom under the Mutual Security Act. U. S. canned fruits are superior in quality and lower in price than foreign competitive canned fruits.

Vegetables

Bean exports showed slight recovery. U. S. dry bean exports are estimated at 170 million pounds in 1955-56 compared with 163 million pounds in 1954-55, 248 million in 1953-54, and 367 million in 1951-52. The gain last year reflected the good European demand. About three-quarters of the exports are shipped to Cuba and other Latin American countries, and the balance to Western Europe. Most U. S. exports currently are made from CCC stocks at less than domestic prices. Beans were added last year to CCC's list of commodities eligible for donation to U. S. private welfare agencies for overseas distribution. Shipments in 1955-56 reported by welfare agencies totaled nearly 40 million pounds.

Crop recovery in Europe hit U. S. pea exports. Dry pea exports (excluding cowpeas and chickpeas) declined from the unusually high level of 127 million pounds in 1954-55 to an estimated 45 million in 1955-56. Last year's shipments were comparable with the 55 million pounds moved out in 1953-54. U. S. dry peas are competitive in world markets, chief of which is Latin America. A large share goes to supplement local supplies--mainly from the United Kingdom--in Western Europe. In 1954-55, shipments were increased to help offset shortages due to poor 1954 harvests. Last year, however, crops were better in Europe.

Larger Canadian output weakened demand for U. S. potatoes. U. S. white potato exports are estimated at 360 million pounds in fiscal year 1955-56 compared with 427 million in 1954-55 and 276 million in 1953-54. U. S. exports fluctuate widely, reflecting mainly shifts in Canadian output. Last year's decline in U. S. exports to a more or less normal level was the outcome of larger 1955 crops in Canada, principal foreign market. The United States exported over 50 million pounds of potatoes to Spain last year under Title I.

Canned vegetable exports continued to increase. U. S. canned vegetables exported in 1955-56 totaled an estimated 180 million pounds, continuing the general uptrend of recent years. Last year's volume--a 10-year high--compared with 158 million pounds in 1954-55 and 115 million in 1953-54. Much larger volumes moved out during World War II. Canada's economic growth accounts chiefly for the larger exports of U. S. canned vegetables.

PRIVATE RELIEF SHIPMENTS

Exports of CCC donations for overseas needy increased. Shipments of food for relief or charity by private welfare agencies and individuals are estimated at \$175 million in 1955-56 compared with \$142 million in 1954-55 and \$77 million in 1953-54. Increase is due mainly to expanded efforts to dispose of surplus commodities through CCC donations to private welfare agencies for use by needy persons overseas. Public Law 480 has made it easier for U. S. welfare agencies to take over and ship the donated commodities. Main commodities included are nonfat dry milk solids, butter, butter oil, cheese, cottonseed oil, and vegetable shortening; last year beans, corn, rice, and wheat were made eligible.

Official Business

WASHINGTON 25, D. C.

(PMGC)

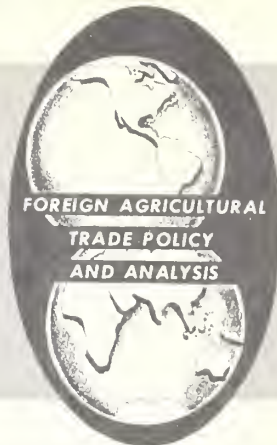
PAYMENT OF POSTAGE, \$3.00

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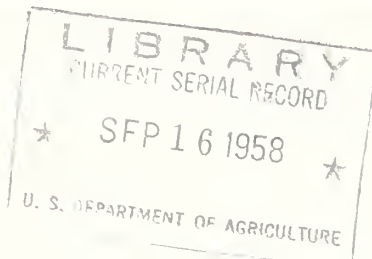
UNITED STATES DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



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FATP 24-57
November 1, 1957

GOLD AND DOLLAR ASSETS OF FOREIGN COUNTRIES AND THEIR IMPACT UPON U.S. AGRICULTURAL TRADE

From the viewpoint of U.S. agricultural exports, the most important changes in the world gold and dollar position of foreign countries during the 1956-57 fiscal year were:

- (1) Increases--some of them exceptionally large--in the gold and dollar assets of some countries which had already been in an unusually strong financial position. This was especially true of West Germany, Canada, Venezuela, Switzerland, Portugal, Panama and the Union of South Africa. These increases should heighten the importance of these countries as dollar markets for U.S. agricultural products.
- (2) Substantial further improvement in the exchange position of a number of other countries, especially Italy, Sweden, Norway and Austria. This also should facilitate sales of U.S. agricultural products.
- (3) Dollar losses--some rather large--of important industrial countries, especially France, Japan, the Netherlands, Belgium-Luxembourg and the United Kingdom during the first quarter of 1957-58. With the exception of France, these losses have not, however, resulted in any appreciable tightening of import restrictions. Internal anti-inflationary measures may adversely affect these countries' import demand; moreover, most of these countries probably will strive to rebuild gold and dollar reserves.
- (4) A large number of other, mostly less-developed countries, suffered dollar losses. There seems to be no early prospect of encountering fewer difficulties in developing U.S. agricultural dollar market in these countries.

Foreign Countries: Estimated Gold and Dollar Holdings, Public and Private

Area and Country	1953		1954		1955		1956		1957 p/	
	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	June 30
-----Million U.S. dollars-----										
Continental Western Europe:	172	246	300	341	337	332	322	371	384	
Austria										
Belgium-Luxembourg (& Belgian Congo)	1,050	1,107	1,065	1,054	1,121	1,211	1,233	1,239	1,144	
Denmark	107	133	131	109	91	98	105	102	98	
Finland	60	65	76	75	74	89	87	93	99	
France (& dependencies) 1/	1,134	1,207	1,249	1,489	1,557	2,137	1,760	1,512	1,005 2/	
Germany (Federal Republic of)	893	1,225	1,503	1,999	2,158	2,382	2,753	3,343	3,733	
Greece	82	112	125	124	138	187	176	187	177	
Italy	670	821	811	935	994	1,139	1,216	1,270	1,332 3/	
Netherlands (& Netherlands West Indies & Surinam)	961	1,062	1,131	1,123	1,113	1,144	1,168	1,080	1,009	
Norway	168	176	183	154	152	177	173	204	238	
Portugal (& dependencies)	413	469	516	560	571	601	602	628	622	
Spain (& dependencies)	137	153	145	191	228	224	209	163	145	
Sweden	281	336	343	407	383	429	426	483	499	
Switzerland	2,136	2,174	2,141	2,223	2,212	2,398	2,424	2,643	2,579	
Turkey	152	157	151	152	156	153	151	164	158	
Other 4/	798	891	1,008	951	1,246	882	1,118	927	1,177	
Total	9,214	10,334	10,878	11,887	12,531	13,583	13,923	14,409	14,399	
Sterling Area:										
United Kingdom	3,098	3,241	3,775	3,406	3,419	2,882	3,128	3,015	3,161	
United Kingdom dependencies	114	112	110	107	106	92	86	107	100	
Australia				186	204	219	243	191	188 3/	
India	335	347	339	335	345	321	330	324	324	
Union of South Africa	213	215	226	233	243	266	246	278	295	
Other	373	376	376	376	187	217	215	242	253	
Total	4,133	4,291	4,826	4,448	4,504	3,997	4,248	4,157	4,321	
Canada	2,369	2,519	2,565	2,709	2,643	2,610	2,756	2,996	3,141	

Latin America

Argentina	521	503	548	531	528	509	476	360	347
Bolivia	47	40	36	32	28	26	25	29	24
Brazil	453	425	419	444	444	468	542	550	468
Chile	129	122	104	113	137	139	148	138	131
Colombia	197	236	317	308	188	217	224	210	262 3/
Cuba	608	570	612	547	580	558	566	514	560
Dominican Republic	59	51	68	72	83	77	81	79	98
Guatemala	74	65	75	62	78	72	93	91	97
Mexico	344	345	264	395	423	560	527	604	509 3/
Panama	102	91	88	75	86	87	95	110	136
Peru	109	104	103	118	118	127	115	119	110
El Salvador	74	56	75	59	79	52	73	53	81
Uruguay	313	338	336	318	292	282	284	260	249
Venezuela	532	597	624	600	667	671	737	1,061	1,449
Other	162	135	150	145	150	139	168	125	152
Total	3,724	3,678	3,819	3,819	3,881	3,984	4,154	4,303	4,673

Asia:

Indonesia	246	184	140	181	211	270	171	231	168
Iran	155	181	172	169	190	175	169	158	173
Japan	1,017	953	743	854	887	1,033	1,171	1,149	756
Philippine Republic	324	312	315	272	269	274	306	300	249
Thailand	311	281	243	236	244	251	254	261	280
Others	369	408	450	528	605	651	699	713	770
Total	2,422	2,319	2,063	2,240	2,406	2,654	2,770	2,812	2,396

Eastern Europe 5/

	312	312	315	315	318	315	300	295	296
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All Other:

Egypt	229	217	226	221	224	246	236	238	246
Other	63	69	67	68	85	80	140	118	162
Total	292	286	293	289	309	326	376	356	408

Total Foreign Countries

	22,466	23,739	24,759	25,707	26,592	27,469	28,527	29,328	29,634
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International Institutions 6/

	3,538	3,616	3,670	3,863	3,916	4,010	4,067	3,535	3,086
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Total

	26,004	27,355	28,429	29,570	30,508	31,479	32,594	32,863	32,720
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p/ Preliminary

1/ Excludes gold holdings of French Exchange Stabilization Fund

2/ Does not include \$286 million of gold loaned by Bank of France to the French Exchange Stabilization Fund on June 26, 1957

3/ Includes latest available figures for gold reserves, as follows: Italy (March 31); Australia(March 31); Colombia(October 31, 1956); and Mexico (April 30).

4/ Includes Yugoslavia, Bank for International Settlements (both for its own and European Payments Union account), gold to be distributed by the Tripartite Commission for Restitution of Monetary Gold, and unpublished gold reserves of certain Western European countries.

5/ Excludes gold reserves of the U.S.S.R.

6/ Represents International Bank for Reconstruction and Development, International Monetary Fund, and United Nations and other international organizations

Source: Federal Reserve Board

Global Developments

Political and economic developments greatly influenced the trend in the gold and dollar assets of foreign countries and international institutions during 1956-57. Predominant among them were world factors such as the Suez crisis, and growing inflationary pressures in many countries.

As a result of these developments, their balance-of-payments position vis-a-vis the United States deteriorated considerably.

	<u>1955-56</u>	<u>1956-57</u>
	(million dollars)	
(1) Foreign net receipts from transactions with the U.S.	1,785	311
(2) Foreign long-term investment in the U.S.	<u>- 437</u>	<u>- 548</u>
(3) As a result of (1) and (2) foreign gold and dollar assets increased by----	1,348	
decreased by----		- 237

In spite of the deterioration of their balance-of-payments position vis-a-vis the United States the total (private and public) liquid gold and dollar assets of foreign countries increased by \$1.1 billion during 1956-57. This increase was made possible because the impact of their net spending in the United States of \$237 million was offset by their accumulating probably around \$300 million of newly-mined and U.S.S.R. gold, and by net drawings of \$1.2 billion on the International Monetary Fund (IMF).

Changes in Principal Areas

The changes in the gold and dollar assets of the principal areas in 1956-57 have been as follows:

	<u>Million dollars</u>
Continental Western Europe	+ 476
Sterling Area	+ 73
Canada	+ 385
Latin America	+ 519
Asia	- 374
Others	+ 28
Total increase	<u>1,107</u>

United States: Balance of Payments with Foreign
Countries, 1955-56/1956-57

	1955-56	1956-57 ^p
	<u>Million dollars</u>	
I. Dollars paid by foreign countries for ---		
A. U. S. exports of goods and services ^{1/}		
1. Merchandise	15,605	19,176
2. Services and other transactions	5,969	6,581
B. Foreign long-term investment in U. S.	437	548
C. Errors, omissions and unaccounted (net)	292	1,161
Total dollars paid	22,303	27,466
II. Dollars received by foreign countries from ---		
A. U. S. imports of goods and services		
1. Merchandise	12,362	12,990
2. Services and other current transactions	4,108	4,401
B. Private capital outflow (net)	1,793	3,918
C. U. S. Government spending		
1. Offshore military and general expenditures	3,324	3,482
2. U. S. economic grant and loans	2,064	2,438
Total dollars received	23,651	27,229
As a result, foreign gold and liquid dollar assets		
increased --	1,348	
or decreased --		- 237

^{p/} Preliminary

^{1/} Excluding transfers of U.S. military supplies and services on a grant basis

Dollar Drawings on the International
Monetary Fund, 1956-57

	<u>Million dollars</u>
Continental Western Europe	
Belgium	50.0
France	262.5
Total	312.5
Sterling Area	
United Kingdom	561.5
India	200.0
Total	761.5
Latin America	
Argentina	75.0
Bolivia	4.0
Ecuador	5.0
Honduras	2.5
Cuba	22.5
El Salvador	2.5
Nicaragua	1.9
Paraguay	.5
Total	113.9
Asia and Middle East	
Israel	3.8
Egypt	15.0 ^{1/}
Indonesia	55.0
Iran	19.7
Total	93.5
Total Drawings	1,281.0 ^{1/}
less repayments	55.0
NET IMF DRAWINGS	1,226.0

^{1/} Egypt drew \$30.0 million from the Fund, however,
\$15 million consisted of Canadian Dollars.

Continental Western Europe: Total gold and dollar assets of Continental Western Europe increased in the first half of the fiscal year, but dropped in the second half. The drop would have been substantial if two countries of this area had not received IMF assistance. Within the area trends differed greatly. In particular West Germany's gold and dollar assets increased by 36 percent while France's declined by 43 percent.

Continental Western Europe: Gold and Dollar Assets, 1956-57

	<u>Million dollars</u>
First half (July-Dec) increase	+ 486
Second half (Jan-June) loss	- 323
IMF Drawings	+ 313
Net loss	<u>- 10</u>
Net increase, fiscal year	+ 476

Continental Western European countries: Amount and changes of Gold and Dollar Assets, 1956-57

Country	Assets on June 30, 1957	Changes in 1956-57
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	<u>Million dollars</u>	
West Germany	3,733	+ 980
Switzerland	2,579	+ 155
Italy	1,332 ^{1/}	+ 116
Sweden	499	+ 73
Austria	384	+ 62
Norway	238	+ 65
Portugal	622	+ 20
Finland	99	+ 12
Turkey	158	+ 7
Greece	177	+ 1
France	1,005	- 755
Netherlands	1,009	- 159
Belgium-Luxembourg	1,144	- 89
Spain	145	- 64
Denmark	98	- 7
Others ^{2/}	<u>1,177</u>	<u>+ 59</u>
Total	14,399	+ 476

^{1/} Latest available gold reserves as of March 31, 1957.

^{2/} Includes also Bank for International Settlements and European Payments Union unpublished gold reserves

West Germany's gold and dollar assets increased more than those of any other country in 1956-57. It is now the largest foreign holder of such assets, having surpassed both the United Kingdom and Canada. Much of Germany's increase was accounted for by the receipt of \$1.0 billion from the European Payments Union (EPU), in partial settlement of its EPU surplus with member countries. Germany continued to increase its gold and dollar assets and add to its EPU balance in the first quarter of 1957-58.

Sweden and Norway increased their gold and dollar assets through increased shipping earnings, which also resulted in EPU surpluses for these two countries.

Switzerland and Portugal further improved their already strong currency position. Italy by maintaining its internal stability was able further to increase its exchange reserves. Increased tourist receipts and a stable price level helped Austria to increase its gold and dollar assets. Greece also retained its favorable exchange position.

France's gold and dollar assets have declined sharply since the last quarter of 1955. The major part of the drop which occurred in 1956-57, can be attributed to gold and dollar payments of \$670 million in settlement of the French EPU deficit. Although a drawing of \$262.5 million in the second half of 1956-57 offset some of these losses, they still amounted to 42 percent of France's published gold and dollar assets. These losses continued during the first quarter of 1957-58.

The Netherlands, also losing substantial gold and dollar assets since the last quarter of 1956 due mainly to inflation and some capital movements, has since taken measures to strengthen its financial position. A decline of gold and dollar assets of Belgium-Luxembourg was due largely to an outflow of investment capital. In the second half of 1956-57 Belgium drew \$50 million from the IMF.

Spain's gold and dollar assets declined during the year due primarily to a trade imbalance and inflation. In April 1957 Spain made adjustments in its exchange rate system.

Finland was able to maintain and even increase its gold and dollar assets, but its overall balance-of-payments position deteriorated. This caused Finland to devalue the Finnmark by 28 percent in September 1957. This action increased the Finnmark prices of imports by nearly 40 percent. Turkey also experienced a tight balance-of-payments situation, which, however, is not reflected in the level of its gold and dollar assets.

European Payments Union: Payment Surpluses (+) or
Deficits (-) for 1956-57

	First Half	Second Half	Total Deficit or Surplus	Gold and Dollar Receipts (+) or Payments (-) <u>1/</u>
<u>Million dollars</u>				
Austria	+ 12.6	+ 10.5	+ 23.1	+ 17.5
Belgium-Luxembourg	+ 65.9	- 36.8	+ 29.1	+ 21.8
Denmark	- 9.4	- 37.0	- 46.4	- 34.8
France	- 429.3	- 545.9	- 975.2	- 669.5
Germany	+ 594.7	+ 762.1	+ 1,356.8	+ 1,017.6
Greece	+ 10.3	- 5.7	+ 4.6	+ 4.6
Iceland	- 2.3	- 1.4	- 3.7	- 2.7
Italy	- 27.0	- 72.2	- 99.2	- 74.4
Netherlands	- 13.9	- 19.0	- 32.9	- 24.7
Norway	+ 22.8	+ 14.8	+ 37.6	+ 28.3
Portugal	- 6.4	- 32.0	- 38.4	- 38.4
Sweden	+ 55.0	+ 55.9	+ 110.9	+ 83.1
Switzerland	+ 0.8	- 81.8	- 81.0	- 60.8
Turkey	- 1.1	- 37.1	- 38.2	- 38.2
United Kingdom	- 271.9	+ 36.2	- 235.7	- 176.8

1/ Does not include bilateral amortization payment which amounted to
\$143.8 million in 1956-57

Sterling Area: The pound sterling was under pressure during parts of
the last fiscal year. Drawings on the IMF by the United Kingdom and
India helped offset the resulting drain on the Sterling Area's gold and
dollar assets, but pressures reappeared in the first quarter of 1957-58.
This resulted in the adoption of strong additional financial measures
for the defense of sterling.

Sterling Area: Gold and Dollar Assets, 1956-57

	<u>Million dollars</u>
First half, (Jul-Dec) loss	- 653
United Kingdom IMF drawing	+ 562
Net loss	- 91
Second half (Jan-June) loss	- 36
Indian IMF drawing	+ 200
Net increase	+164
Net increase, fiscal year	<u>+ 73</u>

Sterling countries: Amounts and changes of
gold and dollar assets, 1956-57

Country	Assets on June 30, 1957	Changes in 1956-57
<hr/>		
<u>Million dollars</u>		
United Kingdom	3,161	+ 33
Union of South Africa	295	+ 49
United Kingdom Dependencies	100	+ 14
Australia	188	- 55
India	324	- 6
Others	253	+ 38
Total	<hr/> 4,321	<hr/> + 73

The United Kingdom, after improving its exchange position in the last half of the fiscal year (1956-57), experienced large exchange losses in the first quarter of 1957-58. These losses were caused by wide spread speculation in expectation of a devaluation of Sterling and a revaluation of the Deutsche mark. At the annual meeting of the IMF (September 1957), both the United Kingdom and West Germany made known their determination to maintain their present exchange rates. To check inflation and speculation, the United Kingdom raised the discount rate of the Bank of England from 5 percent to 7 percent and reduced public expenditures. Also they intend "to hold bank advances during the next year to current levels." Subsequently the pound sterling strengthened considerably.

India is having balance-of-payments difficulties due to the large import requirements of its economic development program. India drew \$200 million from the IMF in the last half of 1956-57 to alleviate its exchange situation. Pakistan, Ceylon and Malaya are having tight balance-of-payments situations due largely to economic development programs.

Australia's exchange position improved during the past year due to large wool receipts. However, a large gold sale for pound sterling resulted in a drop in its gold and dollar assets.

Canada: The Canadian gold and dollar assets on June 30, 1957 amounted to \$3.1 billion, an increase of \$385 million since the end of June 1956. Most of this increase was accounted for by a large inflow of capital from the United States and Europe.

Latin America: The gold and dollar assets of Latin America increased by \$519 million during 1956-57, due primarily to a large rise of Venezuela's reserves which by far exceeded the total dollar losses of a number of other Latin American countries. The losses of the others were due to inflationary pressures and lower export prices of agricultural and industrial raw materials. Several Latin American countries drew a total of \$114 million from the IMF.

Latin America: Gold and Dollar Assets, 1956-57

	<u>Million dollars</u>
First half (Jul-Dec) increase	+ 135
IMF drawings	+ 20
Net increase	+ 155
Second half (Jan-June) increase	+ 270
IMF drawings	+ 94
Net increase	+ 364
Net increase, fiscal year	<u>+ 519</u>

Latin American countries: Amounts and changes
of gold and dollar assets, 1956-57

Country	Assets on June 30, 1957	Changes in 1956-57
<u>Million dollars</u>		
Venezuela	1,449	+ 712
Panama	136	+ 41
Colombia	262	+ 38
Dominican Republic	98	+ 17
El Salvador	81	+ 8
Guatemala	97	+ 4
Argentina	347	- 129
Brazil	468	- 74
Uruguay	249	- 35
Mexico	509	- 18
Chile	131	- 17
Cuba	560	- 6
Peru	110	- 5
Bolivia	24	- 1
Others	152	- 16
Total	4,673	+ 519

Venezuela's gold and dollar assets doubled during the fiscal year 1956-57. This sharp increase was the result of large receipts of U.S. oil and mineral exploration capital.

Colombia increased its gold and dollar reserves but its foreign exchange liabilities still remain very large.

Ecuador, which increased its gold and dollar assets by \$8.0 million during the fiscal year, made a \$5.0 million IMF drawing in the first half of 1956-57 and repaid it in the last half of that year.

Mexico's tight balance-of-payments position, especially in the second half of the fiscal year, resulting in a decline of its gold and dollar assets.

Argentina's trade deficit and the heavy financial burden of paying commercial arrears to Western European countries caused its gold and dollar assets to decline, in spite of a \$75 million drawing on the IMF. However, \$40.5 million of the decline was due to Argentina's gold contribution to the IMF and the International Bank for Reconstruction and Development (IBRD).

Lower coffee prices and inflation held Brazil's export earnings fairly static while imports continued to increase. As a result Brazil's gold and dollar assets declined. (All the decline was accounted for in the second half of the fiscal year).

Cuba increased its gold and dollar assets in the last half of the fiscal year 1956-57, but this gain did not recoup the losses experienced during the first half of that year.

Asia: Asia's total gold and dollar assets declined during 1956-57 because a loss of \$416 million in the second half of that year more than offset the \$42 million increase during the first half. Dollar losses by Japan and Philippine Republic were the main reason for the decline in Asia's gold and dollar holdings. IMF dollar drawings by two Asian countries amounted to \$74.7 million the last fiscal year.

Asia: Gold and Dollar Assets, 1956-57

	<u>Million dollars</u>	
First half (Jul-Dec) loss	-	33
IMF drawings	+	75
Net increase		+ 42
Second half (Jan-June) loss		-416
Net loss, fiscal year		<u>-374</u>

Asian countries: Amount and changes of gold
and dollar assets, 1956-57

Country	Assets on June 30, 1957	Changes in 1956-57
<u>Million dollars</u>		
Thailand	280	+ 26
Iran	173	+ 4
Japan	756	- 415
Philippines	249	- 57
Indonesia	168	- 3
Others	<u>770</u>	<u>+ 71</u>
Total	2,396	-374

The change from Japan's payments surplus to a deficit was brought about in large measure by import demands resulting from its investment boom. Exports increased during the year but the imports of food, fiber and other raw materials increased much faster. To arrest the downward trend of its gold and dollar assets, Japan took important fiscal and monetary measures. Also, Japan received an Export-Import Bank line of credit of \$175 million (for purchases of U. S. agricultural products) and made an IMF drawing of \$125 million in the first quarter of 1957-58.

The dollar losses of the Philippine Republic were caused by the trade impact of inflationary pressures related to its development program. Indonesia's balance-of-payments difficulties continued, but its dollar losses were mitigated by a \$55 million drawing on the IMF.

Thailand increased its gold and dollar assets. Iran, after drawing \$20 million on the IMF, ended the last fiscal year with a slight addition to its gold and dollar holdings.

NOTE

December 31, 1957

If you kept a file of Foreign Agricultural Trade Policy Circulars in 1957, you will note that Circular FATP 23-57 is missing.

A Circular bearing that designation was to have been published about the same time as FATP 24-57, but was not. Developments necessitated its withdrawal too late for FATP 24-57 to be changed to FATP 23-57.

HENCE, THERE WAS NO FATP 23-57!

